



# The State of North Carolina Consolidated Plan 2011-2015

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## **PART I**

### **Executive Summary**

The North Carolina Consolidated Plan 2011-2015 was developed in accordance with the Consolidated Plan regulations set forth in 24 CFR Part 91 and with the requirements set forth by the Department of Housing and Urban Development. The Consolidated Plan serves two purposes. First, it is the planning document that guides the North Carolina Consolidated Plan partners in addressing housing and community development needs across the state of for the next five years, using the allocated funds received from the U.S Department of Housing and Urban Development. Secondly, this plan serves as a tool to inform a variety of stakeholders—including the United States Department of Housing and Urban Development (HUD), state and local officials, non-profit and advocacy organizations, and the residents of North Carolina- of the need for improving the living conditions for our state's very low, low, and moderate income populations.

**State Objectives:** The state realizes it cannot meet all of the housing need, but it can strategically invest its limited resources to alleviate important housing problems for North Carolina's households.

The state has three (3) basic goals:

- 1.To provide decent and affordable housing
- 2.To provide a suitable living environment
- 3.To expand economic opportunity

The primary means through which these goals are achieved is the provision of affordable housing. Each agency operates programs that help to fulfill these goals, while meeting housing and service-related needs statewide

### **Who are the Consolidated Plan Partners**

The Consolidated Plan partners manage and administer four funding sources for which HUD requires this plan. The North Carolina Department of Commerce, Division of Community Assistance manages the Community Development Block Grants (-CDBG). The North Carolina Housing Finance Agency (-NCHFA) manages the HOME program. The Housing Opportunities for Person with Aids ( -HOPWA) manage HOPWA funds. The Emergency Shelter Grant (-ESG) manages Emergency Shelter Funds. Both HOPWA and ESG are managed by the North Carolina Department of Health and Human Services. All programs are required to follow federal regulations and the state of North Carolina Administrative Code. The state of North Carolina Administrative Code has established program guidelines in which each program will operate each federal funded program.

## Understanding the Consolidated Plan

The Consolidated Plan is required to have the following components according to federal regulations established in 24 CFR Part 91, Consolidated Plan Final Rule.

- Housing Market Analysis and Needs Assessment
- Strategic Plan
- Discuss the required regulatory components as required by 24 CFR Part 91
- Analysis to Impediments to Fair Housing Choice Study
- Annual Action Plan

## Consolidated Plan Regulatory Requirements

The regulatory requirements of the Consolidated Plan are established and set forth by 24 CFR Part 91. The United States Department of Housing and Urban Development has established a prescribed method in which the Consolidated Plan must be developed. The Consolidated Plan partners address the requirements of lead-based paint abatement, use of low income housing tax credits, community development, and collaboration among partners and with outside organizations.

## Analysis to Impediments to Fair Housing Choice

The federal regulations also require that an Analysis to Impediments to Fair Housing Choice Study be conducted during the development of the Consolidated Plan. The Analysis to Impediments to Fair Housing Choice Study identifies impediments to fair housing choice and establishes goals to address those various identified impediments. The Analysis to Impediments, also known as an AI was developed as a part of the development of the Consolidated Plan in accordance with federal regulations 24 CFR Part 91. The AI is attached to this document within the appendix and is also discussed in the plan.

## Annual Action Plan

With the submission of the Consolidated Plan, an annual action plan is also submitted. The Annual Action Plan details how the Consolidated Plan partners will implement various programs and objectives over a programmatic year. When reviewing the Annual Action plan, keep in mind that for some partners, the programmatic years vary and do not begin and or end during the same time period. Each year, the Consolidated Plan partners will submit to the United States Department of Housing and Urban Development accomplishments for activities stated in the Annual Action Plan with the submission of a report called a Consolidated Annual Performance Report (CAPER); this document is submitted yearly on March 31.

## Consultation

To gain input on the proposed programs and use of funding over the next five years, the Consolidated Plan partners followed the adopted Citizen Participation Plan. The Citizen Participation Plan (CCP) describes how the Consolidated Plan partners will inform the public of the development of the Consolidated Plan and gain input on the Consolidated Plan. As required per the Citizen Participation Plan, partners inform the public, gain input, and implement changes to programs as needed to best serve North Carolinians based upon that public input. Consultation is further discussed in the appendix of this document.

## **Understanding the Housing Market Analysis and Needs Assessment**

The Department of Housing and Urban Development has a prescribed method in which the consolidated plan must be developed. The Housing Market Analysis and the Housing Needs Assessment detail the housing and community development needs of the low to moderate income residents statewide. Based upon the findings of the housing market analysis and the housing needs assessment, the strategic plan is developed. The Strategic Plan outlines the general goals, objectives, and activities that the Consolidated Plan partners will undertake and strive for over the next five years to meet the needs of North Carolina's very low, low and moderate income citizens. The Strategic Plan is designed to be general. Each agency's funding sources cannot fund all activities because of the different funding requirements for each source. However, collectively, the consolidated plan partners work together to address the priorities, goals and objectives outlined in the Strategic Plan.

## **Consolidated Plan Priorities and Goals**

The estimates of housing need in this Consolidated Plan are based on data from the 2007 American Community Survey, from the U.S. Census Bureau. This was the most recent data available for the state of North Carolina at the time the Housing Market Analysis and Needs Assessment were drafted. However, because it is 2007 data and not based on the decennial census, we were not able to use the data custom-tabulated for HUD in the format known as "CHAS Data Book". The CHAS data had not been updated since 2000 at the time the consolidated plan partners drafted the housing market analysis and housing and homeless needs assessment. Additionally, because North Carolina has been undergoing significant demographic shifts and in light of the current housing market conditions, we did not believe the needs identified in the CHAS data book in 2000 adequately reflected the nature and extent of North Carolina's general housing needs for 2011-2015, the five year period of this Consolidated Plan.

The Housing and Homeless Needs Assessment also includes data on homeless and other special needs populations. NCHFA collaborated with other agencies because of their expertise in these areas, specifically with the Department of Health and Human Services (DHHS), the Office of Economic Opportunity (OEO), and the North Carolina Council to End Homelessness (NCCEH). Text and data explaining the needs of persons with HIV/AIDS and their families was provided by the AIDS Care Unit in the Division of Public Health and NCCEH.

## **Housing Market Analysis**

The Housing Market Analysis is divided into four sections which closely adhere to the Consolidated Plan Regulation that can be found at 24 CFR 91.310, "Housing Market Analysis". The state has endeavored to provide accurate and sufficient data to respond to each subsection.

Below are some of the findings from the Housing Market Analysis.

North Carolina is a growing and changing state. As of 2007, the state population was approximately 9 million; a 16% increase from the 2000 census. Additionally, North Carolina experienced significant growth in its population aged sixty-five years and older. North Carolina is facing a growing poverty rate. Approximately 12.2% of the population was living below the poverty level in 2000; whereas in 2007, 14.3% of the population was living below the poverty level. In addition to general population changes, the foreclosure crisis is another significant change and challenge. Data from the North Carolina Administrative Office of the Courts show that between January 2005 and August 2008, there had been approximately 175,000 foreclosure starts in North Carolina, which was 8.1% of owner-occupied housing units (2000 estimates).

### **Supply and Demand**

North Carolina had approximately 2.4 million owner-occupied units and about 1.1 million renter-occupied units in 2007. This compares to 2.1 million owner-occupied units and almost 1 million renter-occupied units in 2000. North Carolina experienced a very slight decrease in total homeownership from 2000 to 2007. In 2007, 75.8% of White households were homeowners, 49.8% of Black households were homeowners, 35.8% of Hispanic households were homeowners, and 62.1% of Asian households were homeowners.<sup>1</sup> The number of loan applications for home purchase increased in every MSA in North Carolina since 2003.<sup>2</sup> Existing home sales increased significantly between 2000 and 2007 by almost 82%; however, existing home sales decreased 8% from 2005 to 2007.<sup>3</sup>

### **Condition and Cost**

In North Carolina, 1.5 million housing units were built between 1990 and 2008, which is 38% of the total housing units in North Carolina, and 33% of the state's housing stock was built between 1970 and 1990. Less than 30% of the state's housing stock was built prior to 1960. This data reveals that North Carolina has a relatively newer housing stock; however lead paint could be a

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<sup>1</sup> American Community Survey 2007 Tables B25003A, B, D, I.

<sup>2</sup> Home Mortgage Disclosure Act. Aggregate Report. FFIEC. <http://www.ffiec.gov/hmda/>

<sup>3</sup> NC Association of Realtors based on 20 reporting areas in North Carolina. Data from 2001-2004 is not shown because existing home sales steadily increased over those years. The 2000 data is a baseline to show the size of the increase, until the decline began in 2005.

health issue for the units built prior to 1978.<sup>4</sup> The median house value for 2007 was \$145,700 which was a 52% increase from 2000 to 2007.<sup>5</sup> Fair Market Rent (FMR) has increased 23% since 2000. A housing unit is considered affordable if the household pays no more than 30% of their income for housing. In 2007, over 40% of renter households that were housing burdened.<sup>6</sup>

### **Homeless and Special Needs Facilities**

The North Carolina Coalition to End Homelessness compiled a state-wide count of emergency shelters, transitional facilities, and permanent supportive housing. The approximate total count of all three types of facilities is 585. Sixty-two counties have some type of homeless facility and many have multiple types including emergency shelters, transitional and permanent housing. Thirty-eight, mostly rural counties, do not have any type of homeless facility. As of January 2009 North Carolina had 3,925 emergency shelter beds, 4,480 transitional housing beds, and approximately 2300 permanent housing beds for the homeless.

North Carolina has a growing elderly population and a significant population with special needs. In 2007, 15% of the adult population aged 21-64 reported some kind of disability.<sup>7</sup> These rates suggest a need for supportive housing for persons with disabilities and older adults. As of December 31, 2009, the estimated number of living HIV disease cases diagnosed and reported in NC was 24,248. For 2009, 1710 new diagnoses of HIV disease were reported and 957 new diagnoses of AIDS.<sup>8</sup> North Carolina continues to have a need for health services related to HIV and AIDS.

In North Carolina, many advancements have been made to improve the living conditions of its citizens. However, from the preceding Analysis, it can be seen that there are issues with supply, demand, cost, and condition of available housing units in the state as well as insufficient homeless facilities and additional barriers to affordable housing.

### **Housing and Homeless Needs Assessment**

The Housing and Homeless Needs Assessment is divided into five sections. These sections closely adhere to the Consolidated Plan Regulation that can be found at 24 CFR 91.305, "Housing and Homeless Needs Assessment". Each subsection is labeled and states the applicable portion of the regulation. The state has endeavored to provide accurate and sufficient data to respond to each subsection.

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<sup>4</sup>Table H34 US Census 2000 and Housing 1 Year Estimates American Community Survey 2007

<sup>5</sup> Housing 1 Year Estimates American Community Survey 2007.

<sup>6</sup> Ibid.

<sup>7</sup> American Community Survey 2007; US Census 2000; Kaiser State Health Facts 2007

<http://www.statehealthfacts.org/profileind.jsp?cat=11&rgn=35>

<sup>8</sup> North Carolina 2009 HIV/STD Surveillance Report Communicable Disease Branch August 2010

## **Overview Highlights**

Complete references including source and year for the summary statistics below can be found in the complete Housing Needs Assessment.

## **Household and Income Statistics**

- 54% of North Carolina's households earn \$50,000 or less, and according to HUD for FY2008 the 80% AMI for a family of four was \$44,000;
- 18% of the 3.5 million NC households pay between 30% and 49% of their income for housing, and 13% pay 50% or more of their income for housing costs;
- Over 70,000 households live in overcrowded conditions, with 14% of the Hispanic population overcrowded;

## **Housing Stock Statistics**

- 72% of North Carolina's housing stock is less than forty years old;
- Only .6% of the 112,000 children tested for lead poisoning in 2007 had lead levels at the dangerous amount of lead in their blood;

## **Homeless Statistics**

- The January 2009 Point-In-Time (PIT) homeless count revealed 12,746 unduplicated homeless individuals in 63 counties;
- The total unmet need for homeless shelter beds is 4,332;
- 30% to 40% of homeless persons are known to have mental illness, and an even higher percentage suffer from addiction disorders;

## **Special Population Statistics**

- The total reported need for permanent supportive housing beds is 2,894;
- It is estimated that an additional 784 permanent housing units for persons with HIV/AIDS and their families will be needed by 2020;

## **Renter Household Statistics**

- 37% of all renter households earn less than \$20,000;
- Renter households are more cost burdened than owner households;

## **Home Owner Household Statistics**

- White and Asian households have the highest homeownership rates and Hispanic households have the lowest homeownership rates.
- The largest group of owner households is two-person households;



In North Carolina, much advancement has been made to improve the living conditions of its citizens. However, from the preceding Assessment, it can be seen that the continuing housing need far outweighs the resources available.

### **Strategic Plan**

The strategic plan outlines major strategies to be used by the consolidated plan partners to target the identified priority need groups identified over the next five years. The Strategic Plan is developed using the Housing and Market Analysis and Needs Assessment to create goals and objectives as well as strategies to achieve those goals. Based on the severity of need, the Consolidated Plan Partners assigned priorities to populations differentiated by income, tenure, and homeless/special need status. Priorities are addressed as High, Medium and Low Priorities.

#### High Priority

- Homeless Families and Individuals
- Non-homeless Persons with Special Needs\*
- Households between 31-60% AMI

<b>High Priority</b>	<b>Prevent Homelessness</b>		
<i>Strategy</i>	<i>Objective</i>	<i>Anticipated Funding</i>	<i>Anticipated Households/Individuals</i>
<b>Prevent homelessness in North Carolina</b>	Provide up to \$250,000 in ESG funds for financial assistance to approximately 5,000 households over the next five years to pay late rent, mortgage, first month's rent, security deposits, utility deposits and or arrearages to secure permanent housing or prevent eviction from permanent housing	\$250,000	5,000
	Provide Emergency financial assistance in the form of short term rent and utility payments for 2,000 persons living with HIV/AIDS and their families over the next five years with HOPWA funds	\$5,000,000	2,000
	Increase the number of supportive housing units for homeless populations in North Carolina through the North Carolina Housing Finance Agency's Supportive Housing Development Program from 2011-2015.	\$2,201,721	72
<b>Provide supportive services to homeless individuals and families to help them transition to housing stability</b>	\$800,000 of the state's ESG allocation over the next five years, subsidize the provision of one or more needed services to approximately 30,000 homeless individuals and families served by ESG funded homeless facilities. These needed services will assist homeless individuals and families in their transition from homelessness to stability	\$800,000	30,000
<b>Providing Operating support to homeless providers in NC</b>	\$10,000,000 over the next five years to assist 110 organizations across the state with operating cost for homeless shelters. These funds will provide shelter to over 14,000 homeless single adults and 30,000 members of homeless families each of the next five years.	\$10,000,000	220,000
	<b>Total</b>	<b>\$18,251,721</b>	<b>257,072</b>
<b>High Priority</b>	<b>Non-homeless Persons with Special Needs</b>		
<b>Increase the supply of decent, affordable supportive housing for special needs populations in North Carolina.</b>	Increase the number of supportive housing units for non homeless populations with special needs in North Carolina through the North	\$5,137,150	170
	2011-2015, an estimated \$2 million of HOPWA will be used for operating expenses for dedicated housing facilities.	\$2,000,000	750

<b>Preserve the affordable owner occupied housing stock owned by persons with disabilities</b>	Rehabilitate homes owned by elderly and/or disabled persons through the North Carolina Housing Finance Agency's Single Family Rehabilitation Program from 2011	\$29,356,286	704
	Rehabilitate homes using CDBG funds in conjunction with funds from the North Carolina Vocational Rehabilitation Program. From 2012-2014.	\$1,500,000	600
<b>Provide Rental Assistance for HOPWA eligible clients</b>	Provide emergency financial assistance in the form of short-term rent, mortgage and utility payments to approximately	\$5,000,000	2,000
<b>Provide supportive services for HOPWA eligible clients</b>	Allocate HOPWA funds to link supportive services with operating expenses in a dedicated	\$3,000,000	650
	<b>Total</b>	<b>\$45,993,436</b>	<b>4,874</b>
<b>High Priority</b>	<b>Households with Persons 0-30% AMI</b>		
<b>Increase the supply of new rental units affordable to high priority populations.</b>	Finance the development of rental units affordable to high-priority households between 2011 and 2015 through the North Carolina Housing Finance Agency's	\$3,230,015	242
	Provide gap financing with CDBG funds in conjunction with NCHFA tax credit projects.	3,000,000	500
<b>Preserve the rental housing stock affordable to high priority populations.</b>	Finance rehabilitation of rental units for high-priority households from 2011-2015 through the North Carolina Housing Finance Agency's Rental Production	\$807,506	61
	<b>Total</b>	<b>\$7,037,521</b>	<b>803</b>
	<b>Total Allocation for High Priority Need</b>	<b>\$71,282,678</b>	

## Medium Priority

- Households between 31-60% AMI

<b>Medium Priority</b>	<b>Households between 31-60% AMI</b>		
<i>Strategy</i>	<i>Objective</i>	<i>Anticipated Funding</i>	<i>Anticipated Households/Individuals</i>
<b>Preserve affordable owner occupied housing</b>	Provide CDBG funds to assist with rehabilitation , emergency repairs and replacement housing for households between 31-60% AMI through the CDBG Scattered Site Housing program and programs available under the NC Catalyst program.	65,000,000	2,000
<b>Provide down payment assistance to persons who are 31-60% AMI</b>	Provide IDA funding with CDBG funds to assist persons who are 31-60% AMI achieve homeownership .	1,000,000	1,000
<b>Increase the supply of new rental units affordable to medium priority households.</b>	Finance the development of rental units affordable to medium priority households between 2011 and 2015 through the North Carolina Housing Finance Agency's Rental Production Program.	\$9,690,047	726
<b>Provide safe water and sanitation needs</b>	Provide funds from CDBG to provide infrastructure and infrastructure hook up grants to assist persons who are 31-60% AMI	\$40,000,000*	10,000
<b>Preserve existing rental housing affordable to medium priority households.</b>	Finance rehabilitation of rental units for medium priority households from 2011-2015 through the North Carolina Housing Finance Agency's Rental Production	\$2,422,511	182
<b>Enable renter households to become homeowners.</b>	Work with local governments and nonprofits to assist rental households in purchasing their first home and achieving increased financial literacy through NCHFA's Individual Development Account Loan Pool Program.	\$1,834,768	94
	<b>Total Allocation for Medium Priority Need</b>	<b>119,947,326</b>	<b>14,002</b>

## Low Priority

- Households between 61-80% AMI

Low Priority	Households between 31-60% AMI		
Strategy	Objective	Anticipated Funding	Anticipated Households/Individuals
<b>Increase the supply of new rental units affordable to low priority households.</b>	Finance the development of rental units affordable to low priority households between 2011 and 2015 through the North Carolina Housing Finance Agency's Rental Production Program.	\$3,230,015	242
<b>Preserve existing rental housing affordable to medium priority households.</b>	Finance rehabilitation of rental units for low priority households from 2011-2015 through the North Carolina Housing Finance Agency's Rental Production Program.	\$807,506	61
<b>Enable renter households to become homeowners.</b>	Work with local governments and nonprofits to assist rental households in purchasing their first home and achieving increased financial literacy through NCHFA's Individual Development Account Loan Pool Program.	\$1,034,768	94
	NCHFA will enable renter households to buy homes through its New Homes Loan Pool and its Self Help Loan Pool.	\$12,843,375	523
	Assist households in purchasing their first home through downpayment assistance through NCHFA's Statewide Down Payment Assistance Program.	\$917,384	113
	<b>Total Allocation for Low Priority Need</b>	<b>\$18,883,048</b>	<b>1,033</b>

( Note: \* Disabled, elderly, households with a member under 6 where a lead threats exist, migrant farmworkers, ex-offenders)

The NCHFA portion of the priorities chart only includes the federal HOME funding. To conduct housing-related activities, NCHFA uses nonfederal as well as federal funds. The nonfederal sources offer the NCFHA even more opportunities and flexibility to serve all priority categories. The available funding sources include the North Carolina Housing Trust Fund; state appropriated HOME Match, Hardest Hit Funds, the Low-Income Housing Tax Credit Program, and bond financing.

*Also, while the NCHFA, ESG, CDBG, and HOPWA intends to use HUD funds in the programs above it is possible that funding could be used for other programs depending on how other funding sources change. Some of the activities may not be directly related to housing, but will indirectly serve households for some activities that are listed above.*

## Affordable Housing

Affordable housing continues to be an objective that the Consolidated Plan partners will address over the next five years. Partnering agencies will work where applicable to provide and sustain decent, safe and affordable housing to citizens in North Carolina by priority need categories.

## **Public Housing**

The state of North Carolina currently has 99 public housing authorities located in the state. As there is a need for affordable housing, there is also a need for more public housing units. The physical conditions of units are inspected by public housing authorities and by the Department of Housing and Urban Development.

The public housing authorities (PHA) are components in the statewide system for the delivery of affordable housing. Local housing authorities are established through the auspices of local government, subject to state enabling legislation. The state specifically has direct oversight over local PHAs, however we may partner with these entities through a grantee or project sponsor relationship to complete local projects or activities.

The state of North Carolina does not have any “state managed” public housing authorities. Public Housing Authorities in North Carolina report directly to the United States Department of Housing and Urban Development. Many public housing authorities may receive various funding from the Consolidated Plan partners through affiliated non-profits established by the authorities. Certain funding sources require that PHAs seek a certificate of consistency with the state’s Consolidated Plan when there is no local consolidated plan available in which the public housing authority and or non-profit agency is located.

The Consolidated Plan partners have developed a policy for review to ensure that agencies’ activities are consistent with the Consolidated Plan. The consolidated plan partners review the entity’s request to ensure that the agency is not located on the state’s of North Carolina Do Not Fund list and also ensure that the agency is in compliance with all requirements for programs in which they are funded by state agencies. The Consolidated Plan partners does certify local plan’s or project’s consistency with the state program’s Consolidated Plan for PHAs with a troubled or standard performing assessment issued by HUD.

Many public housing authorities receive local community development block grant funds Emergency Shelter Grant funds and Housing Opportunities for Persons with Aids funding if eligible in entitlement communities.. In addition, many non-profit organizations affiliated with public housing authorities across the state have received funding to develop low income housing tax credit projects through NCHFA.

In addition, the Consolidated Plan partners work with public housing authorities to provide technical assistance as well as include public housing authorities and affiliates in funding strategies to develop more affordable housing options for public housing residents, from homeownership to supportive housing.

The state also recognizes that there is a continuing need for voucher assisted programs through public housing authorities. The Conventional Public Housing Program (CPH) and the Section 8 Housing Choice Voucher Program (HCV) currently assist more than 100,000 North Carolina families who are otherwise priced out of the housing market.

State agencies and the Consolidated Plan partners recognize that long wait list for voucher assisted programs is an on-going issue. To address this issue, the Consolidated Plan partners will continue to work with public housing authorities to develop more affordable housing options for person eligible for public housing to help alleviate the long waiting list.. In addition to the Section 8 waiting list, in the state of North Carolina there are also Indian Housing Authorities that manage Section 8 programs. Many of the Indian Housing Authorities struggle to operate with limited funding and also other regulatory requirements that prevent residents to port out of Section 8 to other programs without severe programmatic impacts.

For public housing authorities that are listed as “troubled” by HUD under part 902 of this title, the state will prescribe that the troubled agency continue to work the with the Department of Housing and Urban Development to have this status removed and also work with local entitlements to gain any technical assistance where applicable.

The Consolidated Plan partners will continue to offer training to troubled housing authorities when available. Since the state of North Carolina does not have any state managed housing authorities, the removal of the “troubled” status is issued by U.S Department of Housing and Urban Development and the state does not have any authority to remove that status. When needed, housing authorities listed as “troubled” are encouraged to work with Consolidated Plan partners as well as other state agencies to gain the necessary training to work to remove that status.

The state of North Carolina has no jurisdiction over public housing authorities. However, the Consolidated Plan partners will continue to advocate to the United States Department of Housing and Urban Development to address the funding restrictions and regulatory barriers that impact public housing authorities throughout North Carolina.

Over the next five years, the Consolidated Plan partners will continue to work with public housing authorities to provide technical assistance on developing more comprehensive affordable housing options and also to help build capacity to ensure that public housing residents are given opportunities for homeownership

### **Homelessness**

The state addresses the needs of the homeless and other special needs persons through administration and funding of numerous programs. The state addresses emergency shelter and transitional housing needs of homeless individuals and families to prevent them from becoming homeless with the Emergency Shelter Grants Program (ESG), the Supportive Housing Development Program (funded in part with HOME), and the Key Program (funded in part with HOME Match) through the provision of grants and loans to develop and operate emergency, transitional or supportive housing. ESG also helps to combat chronic homelessness through the provision of preventive programs and activities. The state addresses the needs of those who are not homeless through the Supportive Housing Development Program (SHDP), Key Program, and Housing Opportunity for Persons with AIDS Programs (HOPWA). SHDP helps partners develop permanent and transitional housing for persons with disabilities, Key provides rental subsidies to

persons with disabilities, and HOPWA provides tenant based rental assistance, short-term mortgage assistance and utility assistance, housing information, supportive services and resource identification to persons with HIV/AIDS.

More than 47,199 people, including persons in families, were homeless in North Carolina during FY 2009-10 according to the Department of Health and Human Services, Office of Economic Opportunity. Many people are homeless due to mental illness, substance abuse, unemployment, underemployment, disability or chronic illness. The homeless population also includes ex-offenders as well as victims of domestic violence.

Homeless individuals and families often have significant barriers accessing mainstream housing and supportive services. To that end, homeless prevention, operating assistance, and supportive services are activities that are needed throughout all areas of North Carolina. In addition, state funded activities to support emergency shelter rehabilitation, development of transitional and permanent supportive housing, and construction of new shelters are also needed throughout the state.

### **Other Special needs**

Section 91.305(d): *“(1) The state shall estimate, to the extent practicable, the number of persons who are not homeless but require supportive housing, including the elderly, frail elderly, persons with disabilities (physical, developmental, mental), persons with alcohol or other drug addictions, persons with HIV/AIDS and their families, and any other categories the state may specify, and describe their supportive housing needs.(2) With respect to a state seeking assistance under the HOPWA program, the plan must identify the size and characteristics of the population with HIV/AIDS and their families within the area it will serve.”*

The other special needs section is a summary of highlights from the Housing Market Analysis and Housing Needs Assessment regarding persons with special needs.

North Carolina has a significant population in need of access to supports and services to live independently in the community. North Carolina has a growing elderly population and a significant population with special needs. In 2007, 15% of the adult population aged 21-64 reported some kind of disability.<sup>9</sup> This is slightly higher than the national rate of 13%.<sup>10</sup> These rates suggest a need for supportive housing for persons with disabilities and the elderly.

### **Elderly**

The North Carolina Division of Aging and Adult Services (DAAS) mission is to promote independence and enhance the dignity of North Carolina's older adults, persons with disabilities, and their families through a community-based system of opportunities, services, benefits, and

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<sup>9</sup> American Community Survey 2007; US Census 2000; Kaiser State Health Facts 2007

<http://www.statehealthfacts.org/profileind.jsp?cat=11&rgn=35>

<sup>10</sup> Ibid.

protections; to ready younger generations to enjoy their later years; and to help society and government plan and prepare for the changing demographics.<sup>11</sup>

DAAS provides funding for home improvements, including security enhancements, minor home repairs, mobility and accessibility improvements affecting the home or areas adjacent to the home. In 2007, this service provided 1,592 seniors, 60 and older, an opportunity to remain in their home under safer and healthier circumstances, reducing the need for more expensive health care solutions. 819 persons were listed as waiting for services. DAAS administers programs that serve the elderly and helps connect them to needed services like Adult Day Care and Ombudsman programs, and many programs are administered through Area Agencies on Aging (AAA). AAA offices were established through the Older Americans Act and serve to facilitate and support the development of programs to address the needs of older adults in a defined geographic region. In North Carolina, AAAs are located within regional Councils of Government. These AAAs have functions in five basic areas: (1) advocacy; (2) planning; (3) program and resource development; (4) information brokerage; and (5) funds administration and quality assurance.<sup>12</sup> The three Area Agencies on Aging in 19 counties have HUD certified counselors on staff and provide HECM counseling. In 2007, approximately 75 people received counseling services and this year requests for services have increased.

#### Persons with Mental Illness, Developmental Disabilities, and Substance Use Issues

The North Carolina Division of Mental Health, Development Disabilities, and Substance Abuse Services provides a large number of health services to consumers in need. For persons with mental illness, treatment, recovery, and support options are available at the community level as well as through state facilities.<sup>13</sup> Persons with mental illness are linked with services in their community level through their Local Management Entities (LMEs) and LMEs serve the entire state of North Carolina. LMEs are agencies of local government-area authorities or county programs that are responsible for managing, coordinating, facilitating and monitoring the provision of mental health, developmental disabilities and substance abuse services in the catchment area served. LME's responsibilities include offering consumers daily access to services, developing and overseeing providers, and handling consumer complaints and grievances.<sup>14</sup> The Division provides technical assistance to the 28 state funded LMEs Housing Specialists and coordinates statewide meetings of the LMEs HS. DMH/DD/SAS maintains collaborative relationships for the purpose of developing housing resources and residential options with linkage to community based supportive services.

In addition, the Division contracts with North Carolina Oxford House (NCOH) to provide services to consumers recovering from substance use disorder in a low-cost, peer supportive living environment. 8 Oxford Houses were opened in FY2007-2008, bringing the current total number of NCOH to 120 and a total of 884 beds. 92 Oxford Houses for men that provide 679

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<sup>11</sup> NC Division of Aging and Adult Services website. Retrieved on 12/9/2008. <http://www.ncdhhs.gov/aging/>

<sup>12</sup> NC Division of Aging and Adult Services website. Retrieved on 12/9/2008. <http://www.ncdhhs.gov/aging/>

<sup>13</sup> NC Division of Mental Health, Development Disabilities, and Substance Abuse Services. <http://www.ncdhhs.gov/mhddsas/statpublications/reports/annualreport07.pdf>

<sup>14</sup> NC Division of Mental Health, Development Disabilities, and Substance Abuse Services. <http://www.ncdhhs.gov/mhddsas/lmedirectory.htm#lmelist>

beds; 26 Oxford Houses for women that provide an additional 188 beds, and 2 Oxford Houses for women & children that provides 17 beds.

Persons with mental illness may also be eligible for Medicaid which provides financial support for mental health care services.<sup>15</sup> For persons with substance use issues, the Division offers “services and supports to prevent, treat, reduce, or eliminate substance abuse issues.”<sup>16</sup> For persons with intellectual and other developmental disabilities, crisis services, day treatment, employment services, and personal assistance services may be available. North Carolina has two Home and Community Based Medicaid waivers - the Community Alternatives Program for Individuals with Mental Retardation/Development Disabilities that provides consumers with even more options and enhances their ability to live in the community of their choice.<sup>17</sup>

However, there is a significant waiting list for the program and it does not cover housing costs. Currently, North Carolina demonstrates an overreliance on institutional services for people with intellectual and developmental disabilities. Other states have fostered the provision of services in living arrangements that are owned or rented by people with intellectual and developmental disabilities rather than in facilities or sites that are controlled by provider agencies. Nationally 27% of those receiving [Medicaid-funded] residential services own or lease their own home, compared to 16% in North Carolina.<sup>18</sup>

As the state moves forward in its deinstitutionalization efforts, even more affordable accessible housing will be needed. People with intellectual and developmental disabilities and their families continue to be interested in exploring creative community housing options such as participating in the Homeownership Voucher Program and shared living. For these options to be viable, Public Housing Authorities, state regulators and Federal administrators have to demonstrate their support.

### Persons with Physical Disabilities

The North Carolina Division of Vocational Rehabilitation Services offers “counseling, training, education, medical, transportation, and other support services” to persons with physical and/or mental disabilities to enable them to live more independently.<sup>19</sup> The Division of Vocational Rehabilitation mostly provides employment services and/or Independent Living Services which provides consumers with an alternative to institutionalization as well as greater support services.<sup>20</sup> In 2007, 5,164 consumers were served by the Division of VR through its home modification program, 2,476 consumers received services; 2,066 independent living plans of

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<sup>15</sup> NC Division of Medical Assistance

<http://www.ncdhhs.gov/dma/medicaid/index.htm>

<sup>16</sup> NC Division of Mental Health, Development Disabilities, and Substance Abuse Services.

<http://www.ncdhhs.gov/mhddsas/statspublications/reports/annualreport07.pdf>

<sup>17</sup> NC Division of Mental Health, Development Disabilities, and Substance Abuse Services.

<http://www.ncdhhs.gov/mhddsas/statspublications/reports/annualreport07.pdf>

<sup>18</sup> NC Council on Developmental Disabilities.

<http://nccdd.org/publications/Where-Does-North-Carolina-Stand-Report.doc>

<sup>19</sup> NC Division of Vocational Rehabilitation

<http://dvr.dhhs.state.nc.us/DVR/highlights.htm>

<sup>20</sup> NC Division of Vocational Rehabilitation

<http://dvr.dhhs.state.nc.us/DVR/faqs/ilfaqs.htm>



services completed; 388 individuals transitioned out of nursing homes or able to avoid going into a nursing home; 366 individuals received personal assistance services to assist in being able to remain in their homes. There are 15 offices statewide.

In addition, the Division of VR manages Displacement Prevention Demonstration Program (DPD) in partnership with NCHFA to assist low and very low income homeowners for the sole purpose of performing accessibility modifications to prevent the imminent displacement of a household member with mobility limitations. Since 2002, over 500 households have been served.

### Persons with HIV/AIDS

The North Carolina Division of Public Health, AIDS Care Unit reports that housing and healthcare are the primary needs for all people living with HIV/AIDS in North Carolina. If a person does not have a home in which to live, taking medications and living with HIV/AIDS is nearly impossible. Many medications require refrigeration and/or must be taken regularly and with food. It is vital that the message “housing is healthcare” is spread throughout the state of North Carolina when discussing HIV/AIDS housing and the HOPWA program.

An estimated 23,356 people were living with HIV or AIDS in North Carolina (including individuals who may have been unaware of their infection) as of December 31, 2008. Over recent years, North Carolina has averaged over 1,900 new reports annually. According to National AIDS Housing Coalition up to 60% of all persons living with HIV/AIDS report a lifetime experience of homelessness or housing instability. During our state fiscal year July 1, 2008 through June 30, 2009 our HOPWA program assisted 1,717 households and served a total of 2,385 persons with HIV/AIDS and their families.

Most persons with HIV/AIDS are living on Supplemental Security Income (SSI) or receive public assistance while awaiting determination of SSI eligibility. Many of our population require support services such as substance abuse and mental health treatment, transportation and case management. Through supportive housing programs they are able to maintain their health and quality of life.

As mandated by HUD, the percentage of HOPWA clients in permanent housing who maintain housing stability will be 90% by 2012 and will increase by 1% each subsequent year along with the fact that improved drug therapies have reduced the number of AIDS deaths thereby persons living with HIV/AIDS are living longer resulting in the need for more stable and affordable housing in North Carolina. During the state fiscal year July 1, 2008 through June 30, 2009 we had an increase of 74 permanent housing units.

### North Carolina Housing Finance Agency

NCHFA has a Supportive Housing Development Program (SHDP) that helps fund the development of emergency, transitional, and permanent housing for persons who are homeless and/or special needs, including disabilities. Nonprofit organizations, local governments, and lead regional organizations are eligible to apply for these funds. Projects must include or make supportive services available. “Eligible populations are homeless or non-homeless households

that require supportive services, including persons with mental, physical, or developmental disabilities; persons with substance use disorders; persons diagnosed with AIDS and related diseases; and special populations on a case-by-case basis.”<sup>21</sup>

The NCHFA and North Carolina Department of Health and Human Services (DHHS) have partnered to provide operating assistance and coordinate services to very low-income persons with disabilities, including the homeless, living in targeted rental units. The NCHFA and DHHS created a program to set aside 10% percent of the total number of Housing Credit apartments to serve the above groups, which are called targeted units. The 10% targeted units qualify for operating assistance (Key) which is provided by the NCHFA under agreement with DHHS, and the resident pays 30% of their gross income for rent and utilities. The supportive services are coordinated through DHHS and provided locally.

### **Non-Housing Community Development Plan**

As required for the Consolidated Plan as outline in 24 CFR 570.2 and 24 CFR part 570, the consolidated plan requires a community development strategy to be identified in the Consolidated Plan. The community development strategy identifies non-housing needs for the state with specific long term and short term community development objectives in accordance with CDBG eligible activities. The community development strategy has been developed in accordance with the primary objectives of Title I of the Housing and Community Development Act of 1974, as amended.

Although the non-housing community development plan has a focus on CBDG eligible activities, in partnership with consolidated plan partners, CDBG will leverage other HUD funds from other agencies to achieve the goals.

In order to better connect housing to jobs, the Consolidated Plan partners as a group and as individual agencies will work to coordinate federal housing and transportation investments with local land use decisions in order to reduce transportation costs for families, improve housing affordability, save energy, and increase access to housing and employment opportunities. By ensuring that housing is located near job centers and affordable, accessible transportation, we will nurture healthier, more inclusive communities – which provide opportunities for people of all ages, incomes, races, and ethnicities to live, work, and learn together.

In order to foster and encourage local innovation, we will create an unprecedented partnership across the consolidated plan partner agencies and other state agencies to provide resources and tools to help communities realize their own visions for building more livable, walkable, environmentally sustainable regions.

The Department of Housing and Urban Development in 2010 adopted six livability principles that will act as a foundation for interagency coordination. These principles are:

1. Provide more transportation choices.

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<sup>21</sup> North Carolina Housing Finance Agency Supportive Housing Development Program.  
<http://www.nchfa.com/Nonprofits/SHDsupportivehousing.aspx>

2. Promote equitable, affordable housing.
3. Enhance economic competitiveness
4. Support existing communities
5. Coordinate and leverage investments
6. Value Community Neighborhoods

The Consolidated Plan partners will adopt these same principles in their programs were feasible with programmatic funding and with federal regulations through the following key objectives below:

1. *Sustainable Development*
2. *Promoting Energy Efficiency and Green Building*
3. *Integrating the Six Livability Principles into Consolidated Plan Partner Programs*
4. *Comprehensive Approaches for Community Development to leverage resources and investments.*

#### Sustainable Development

Programs will be developed and piloted by the North Carolina Division of Community Assistance within 2011-2015 that incorporates taking a comprehensive approach to planning to create more sustainable communities throughout North Carolina using CDBG funds.

#### Promoting Energy Efficiency and Green Building

The Consolidated Plan Partners will continue to encourage as well incorporate into various individual agency programs energy efficiency and green building. North Carolina's Small Cities CBDG program will ensure that the golden opportunity to upgrade the energy efficiency of priority needs groups as established within the Consolidated Plan is taken advantage of over the next five years. We will do so by building upon existing programs and partnerships that have brought high performance housing to the affordable housing market in North Carolina through both new construction and retrofit programs to enhance energy efficiency measures and look for ways to reduce impacting greenhouse gas and carbon emissions.

The North Carolina Housing Finance Agency will focus on creating and encouraging sustainable communities in its programs over the next five years. To do so, NCHFA will continue to fund and encourage energy efficiency and green building in its loan pools, supportive housing, and rental production programs as well as rehabilitating homes to higher energy standards through the single family rehabilitation program. NCHFA will also continue to study project sites closely to ensure access to transportation and jobs. In addition, NCHFA will look for ways to further increase energy efficiency and green building and will continue to utilize its partnership

with Advanced Energy. NCHFA is 2<sup>nd</sup> in the nation for the federal HOME program in Energy Star units created.

### Integrating the Six Livability Principles into Consolidated Plan Partner Programs

Where feasible for Consolidated Plan Partner, they will incorporate into their programs the six livability principals identified by the Department of Housing and Urban Development. Those six livability principles include:

- **Provide more transportation choices.**

*Develop safe, reliable, and economical transportation choices to decrease household transportation costs, reduce our nation's dependence on foreign oil, improve air quality, reduce greenhouse gas emissions, and promote public health.*

- **Promote equitable, affordable housing.**

*Expand location- and energy-efficient housing choices for people of all ages, incomes, races, and ethnicities to increase mobility and lower the combined cost of housing and transportation.*

- **Enhance economic competitiveness.**

*Improve economic competitiveness through reliable and timely access to employment centers, educational opportunities, services and other basic needs by workers, as well as expanded business access to markets.*

- **Support existing communities.**

*Target federal funding toward existing communities—through strategies like transit-oriented, mixed-use development and land recycling—to increase community revitalization and the efficiency of public works investments and safeguard rural landscapes.*

- **Coordinate and leverage federal policies and investment.**

*Align federal policies and funding to remove barriers to collaboration, leverage funding, and increase the accountability and effectiveness of all levels of government to plan for future growth, including making smart energy choices such as locally generated renewable energy*

- **Value communities and neighborhoods.**

*Enhance the unique characteristics of all communities by investing in healthy, safe, and walkable neighborhoods—rural, urban, or suburban*

For the Consolidated Plan partners, many agencies' programs are not allowed, because of federal guidelines or regulations, to address specific areas of the above livability principles. The Consolidated Plan partners will make every attempt *where feasible* for individual agency objectives to incorporate the livability principles into their programs and also encourage more sustainable planning.

## Comprehensive Approaches for Community Development to leverage resources and investments

The Consolidated Plan Partners will work together collectively to leverage various federal funds and create more viable programs to serve the communities of North Carolina. The Consolidated Plan Partners will work together to access the community development needs in order to develop a more comprehensive approach statewide to the needs for community development for communities throughout the state of North Carolina. *The chart below represents priorities for Community Development over the next five years as required by 24 CFR Part 91, table 2b.*

Category	Specific Activity Class	Priority Based
<b>PUBLIC FACILITY NEEDS (projects)</b>		
	Senior Centers	High
	Handicapped Centers	Low
	Homeless Facilities	High
	Youth Centers	Low
	Child Care Centers	Low
	Health Facilities	Low
	Neighborhood Facilities	Low
	Parks and/or Recreation Facilities	Low
	Parking Facilities	NSN
	Non-Residential Historic Preservation	Low
	Other Public Facility Needs	NSN
<b>INFRASTRUCTURE (projects)</b>		
	Water/Sewer improvements	High
	Street Improvements	Low
	Sidewalks	Low
	Solid Waste Disposal Improvements	NSN
	Flood Drain Improvements	Medium
	Other Infrastructure Needs	Low
<b>PUBLIC SERVICE NEEDS (people)</b>		
	Senior Services	High
	Handicapped Services	High
	Youth Services	Low
	Child Care Services	Low
	Transportation Services	NSN
	Substance Abuse Services	Low
	Employment Training	High
	Health Services	Low
	Lead Hazard Screening	Medium
	Crime Awareness	Low
	Other Public Service Needs	NSN
<b>ECONOMIC DEVELOPMENT</b>		
	ED Assistance to For-Profits (business)	Medium
	ED Technical Assistance (business)	High
	Micro-Enterprise Assistance (business)	Medium
	Rehab; Publicly-or Privately-Owned Commercial/Industrial (projects)	Medium
	C/I* Infrastructure Development (projects)	Medium
	Other C/I* Improvements (projects)	Low

<b>PLANNING</b>		
	Planning	Medium
<b>TOTAL ESTIMATED DOLLARS NEEDED:</b>		100,000,000

### Identified Obstacles for Meeting Community Development Needs

Lack of funding is a major obstacle for addressing the community development needs for North Carolina. The need for community development grows; however, allocations to programs have not grown to meet this need. Striving to address the growing demands with shrinking budgets continues to be an obstacle for serving for community development needs statewide.

### Long Terms Goals for Community Development Needs

#### Sustainable Development

To develop a pilot program that allows for sustainability planning that will provide the necessary data and knowledge to agencies so they can understand and identify what is necessary for communities in North Carolina to continue to become viable and sustainable communities. After planning, the Division of Community Assistance will look for ways to re-shape and/or help communities create sustainable communities by implementing the measure incorporated into sustainable planning.

Within the five year period the North Carolina Division of Community Assistance will create a pilot program that addresses sustainability. Outcomes of that pilot program will assist the DCA in creating or revisiting current CDBG programs to accommodate the need for sustainability in the state CDBG program.

#### Promoting Energy Efficiency and Green Building

To promote and enhance energy efficient homes and increase green building within the the five year period, the Consolidated Plan partner where feasible will look to enhance the knowledge for local governments' understanding of new models and best practices for energy efficiency as well as incorporate more green building techniques into the existing programs for the CDBG programs over the next five years.

#### Integrating the Six Livability Principles into Consolidated Plan Partner Programs

The North Carolina Division of Community Assistance will look for innovative ways over the next five years to incorporate into CDBG programs where feasible the six livability principles.

DCA will specifically look to target principles into programs that focus on affordable housing within the CDBG program.

#### Comprehensive Approaches for Community Development to leverage resources and investments

The Consolidated Plan partners within a five year period will work together to coordinate programs and resources in order to enhance community development initiatives statewide. This will include over a five year period the North Carolina Division of Assistance along with the other Consolidated Plan Partner agencies, looking at ways to leverage resources through coordinating existing programs such as tax credit, homeless facilities, public facilities and other programs to leverage resources for the needs of community development statewide.

### **Community Revitalization**

States are encouraged to identify areas where geographically targeted revitalization efforts are carried out through multiple activities in a concentrated and coordinated manner.

#### State's Process to Approve Local Governments Community Revitalization Strategies

The Division of Community Assistance recognizes the need for local government to develop viable plans for community revitalization. In addition, the Division knows that the community revitalization can't be limited only to CDBG funds alone, that there must be a local commitment from local governments to improve their communities.

CDBG grantees will be required to complete a community development plan. This plan will include a comprehensive approach in which the local government will create a viable plan for a comprehensive approach to community development that not only includes the use of CDBG funds but also identifies local investments. The community development plan will incorporate the principles established by the Consolidated Plan Partner both long terms and short term goals. The local governments will be made available funding to address the development of the plan in partnership with the Division of Community Assistance Urban Planning Division and other local stakeholders such as non-profit organization and council of governments.

When the plan is completed, the plan will be reviewed and approved by the Division of Community Assistance. The plan will serve as tool for grantees and the Division of Community Assistance to ensure that activities funded as a part of the CDBG program are in accordance with the Community Development Revitalization strategies outlined for the local government.

#### Community Revitalization Short Term Objectives

The Division will create pilot programs within 2011-2015 to target funding towards sustainability in community revitalization efforts for local governments through planning grants.

## Community Revitalization Long Terms Objectives

To move affordable housing programs and other community revitalization programs to focus more on a comprehensive approach to community revitalization measures throughout North Carolina through working with local governments under the CBDG program through technical assistance to develop comprehensive plans and create measurable results for overall community planning needs for North Carolinians throughout 2011-2015.

### **Barriers to Affordable Housing**

The Analysis of Impediments to Fair Housing Choice, completed in 2010, summarizes barriers to affordable housing and is available to the public. The Housing Coordination and Partnership Council advises the Governor and General Assembly on barriers to affordable housing in North Carolina, and the Housing Partnership, the oversight board of the state's Housing Trust Fund, considers barriers to housing in the allocation of state resources. In carrying out their regular programs and funding cycles, the Consolidated Plan Partners continue to promote the removal of barriers to affordable housing.

In 1994, HUD published a rule consolidating plans for housing and community development programs into a single preparation: the Consolidated Plan for Housing and Community Development. This document incorporates the plans for original consolidated programs, which include Community Development Block Grants (CDBG), HOME Investment Partnerships (HOME), Emergency Shelter Grants (ESG), and Housing Opportunities for Persons with AIDS (HOPWA), as well as encouraging additional program components that have been enacted.

As a part of the consolidated planning process, states and entitlement communities receiving such funds as a formula allocation directly from HUD are required to submit to HUD certification that they are affirmatively furthering fair housing. This certification has three parts and requires:

- Completing an Analysis of Impediments to Fair Housing Choice (AI);
- Taking actions to overcome the effects of any impediments identified through the AI
- Maintaining records reflecting the analysis and actions taken.

HUD interprets these three certifying elements to entail:

- Analyzing and working to eliminate housing discrimination in the jurisdiction;
- Promoting fair housing choice for all people;
- Providing opportunities for racially and ethnically inclusive patterns of housing occupancy;
- Promoting housing that is physically accessible to, and usable by, all people, particularly individuals with disabilities; and
- Fostering compliance with the nondiscrimination provisions of the Fair Housing Act.



Located in the appendix of the Consolidated Plan is the full document of the Analysis to Impediments to Fair Housing Choice. Within the plan the state has identified the following impediments and has also identified the following goals that will be undertaken both collectively by the Consolidated Plan partners as well as individual agencies where applicable to address the identified impediments.

### **Identified Impediments to Fair Housing Choice**

The 2010 Analysis of Impediments for the state of North Carolina uncovered several issues that can be considered barriers to affirmatively furthering fair housing and, consequently, impediments to fair housing choice.

These issues are as follows:

**1. *Insufficient system capacity.*** A lack of sufficient resources and personnel in fair housing-related organizations has resulted in inadequate outreach and education efforts as well as insufficient testing and enforcement activities. Ultimately, these shortcomings have led to insufficient awareness and understanding of fair housing in the general public and housing providers as well as inadequate understanding of the complaint process.

**2. *Discrimination in the rental markets.*** Housing complaint data and survey research revealed a problem of discriminatory actions by housing providers in the rental markets.

Two main groups were cited: racial and ethnic minorities and persons with disabilities including failure to make reasonable accommodation.

**3. *Constraints in the lending markets.*** Disproportionately high home purchase loan denial rates were found for racial and ethnic minorities, even after adjusting for income. These high loan denial rates were especially common in lower-income areas. Furthermore, householders receiving loan with high annual percentage rate terms were disproportionately from minority racial and ethnic groups.

**4. *Possible barriers in land-use policies or practices.*** Current zoning and development practices may not be in the spirit of affirmatively furthering fair housing.

### **Addressing the Identified Impediments**

In response to these listed impediments, over the next five years, the Consolidated Plan partners will address the identified impediments through in the state of North Carolina should consider taking by the following actions:

**1. *Increase system capacity.*** The fair housing system capacity in the state can be enhanced through:

**A. *Engaging the Human Relations Commission (HRC)*.** The state should more closely and consistently partner with the HRC to increase education efforts and training activities.

- i. Education efforts can include preparation and distribution of pamphlets and flyers or other advertisements that clearly explain the importance of fair housing, types of housing discrimination and how to file a complaint.
- ii. Training activities can include the same topics and be held to further fair housing education of departmental staff, community grantees, and others, as necessary including both providers and consumers of housing.

**B. *Developing a Fair Housing Initiatives Program (FHIP) recipient*.** The creation of a FHIP recipient would reduce the burden on the HRC and expand the system capacity.

- i. The FHIP recipient would be charged with implementing additional outreach and education activities.
- ii. The FHIP recipient would also enhance the frequency of testing and enforcement activities in the state.

**C. *Forming a Fair Housing Task Force (FHTF)*.**

An FHTF would be comprised of fair housing agency representatives from throughout the state and would work to coordinate statewide fair housing activities and efforts.

- i. The group could meet on at least a quarterly basis.
- ii. The FHTF would incorporate existing task forces that are related to fair housing.
- iii. This group would aid in prioritizing fair housing activities as well as encourage participation of state and local agencies in statewide fair housing planning.

**2. *Reduce discrimination in the rental market*.** In order decrease discrimination against protected classes in the rental market, targeted outreach and education efforts as well as testing and enforcement activities should be utilized.

- i. Outreach and education efforts could include training or educational seminars for rental housing providers and housing consumers and focus on topics such as protected classes and types of discriminatory actions.
- ii. Testing and enforcement could also be used to monitor the occurrence of discriminatory activities in general or to target providers that have been reported to practice discriminatory activities.

**3. *Decrease constraints in the lending markets*.** To reduce constraints and the perception of discrimination in the lending market, efforts should be focused on both lenders and applicants for loans for housing.

- i. For lenders, activities envisioned in this action pertain to targeted training sessions to prevent uneven terms in the making of home loans as well as possible testing activities.

ii. Consumers of housing could be targeted with outreach and education efforts that describe the attributed of good credit, how to establish and maintain good credit, what constitutes fair lending and how to identify predatory loans.

**4. *Examine land use policies and practices.*** This action is to include enhanced discussion with individuals and entities that reach out to the Consolidated Plan subgrantees about best practices in land use planning, making people more aware of North Carolina's new land use laws and suggesting advocacy for reducing NIMBYism.

### **Lead Based Paint Standards**

The U.S. Centers for Disease Control and Prevention (CDC) calls childhood lead poisoning "the most common environmental disease of young children." Lead-based paint is the main source of lead in the home. Lead poisoning occurs when persons breathe contaminated paint dust or ingest lead contaminated paint chips. Among young children of low income families the risks are even higher; those families are more likely to live in older housing with peeling and chipping lead-based paint. Lead poisoning is the leading environmentally caused pediatric health problem in the U.S., even though it is entirely preventable. Lead is particularly harmful to the developing brain and nervous system of fetuses and young children. Children have a greater risk of exposure because of normal hand-to-mouth activity and enhanced absorption of lead.

Lead-based paint was used in over 38 million housing units until 1978, when it was banned for residential use.<sup>22</sup> Sixty percent of the nation's housing stock contains lead paint, but housing built prior to 1960 is at the greatest risk for having high levels of lead in its interior and exterior paint. HUD estimates that there will be over eighteen million pre-1960 units at risk of having lead paint hazards in 2010. Approximately twenty percent of these units are occupied by low-income families. Of that 20%, HUD estimates that 1.4 million will become lead-safe because of HUD's regulations about lead paint hazards for federally assisted housing. Over 2 million pre-1960 units with lead hazards occupied by low-income families remain.<sup>23</sup>

The Department of Environmental and Natural Resources (DENR) collects state data on the number of children with lead poisoning. Of the 112,000 children (between 1 and 2 years of age) tested for lead poisoning in 2007, 706 had lead levels greater than 10 ug/dL; this is .6% of the children tested. Having lead levels of 10ug/dL means the child has a dangerous amount of lead in their blood.

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<sup>22</sup> Renovate Right. Department of Housing and Urban Development.  
<http://www.epa.gov/lead/pubs/renovaterightbrochure.pdf>

<sup>23</sup> Eliminating Childhood Lead Poisoning: A Federal Strategy Targeting Lead Paint Hazards. President's Task Force on Environmental Health Risks and Safety Risks to Children February 2000.  
[http://yosemite.epa.gov/ochp/ochpweb.nsf/content/leadhaz.htm/\\$file/leadhaz.pdf](http://yosemite.epa.gov/ochp/ochpweb.nsf/content/leadhaz.htm/$file/leadhaz.pdf)

<b>Childhood Blood Lead Surveillance Data<sup>24</sup></b>	<b>Target Population</b>	<b>Number Tested</b>	<b>Percent Tested</b>	<b>Lead &gt; 10 ug/DL</b>	<b>Percent &gt; 10 ug/dL</b>
State of North Carolina	250,686	112,556	44.9	706	.6

The Department of Environmental and Natural Resources (DENR) is involved in a number of activities to reduce the harmful effects of lead based paint in North Carolina; an example is the Lead Based Paint Hazard Management and Preventive Maintenance Program. DENR has also sponsored the Childhood Lead Poisoning Prevention Program to address lead based paint issues in the state. A number of state agencies, universities, and non-profit organizations work together to achieve housing, health, and information/tracking goals that reduce lead poisoning and increase the information available on the issue. These programs are making a difference: the number of children with elevated blood levels has decreased significantly since 1997 and the number of children tested has increased.<sup>25</sup> As the table above indicates, only .6% of children in North Carolina had harmful levels of lead in 2007. In 1997, 661 children ages 6 months to 6 years were confirmed to have exposures at or above 10 micrograms per deciliter (mg/dL). In 2007, only 270 children ages 6 months to 6 years were confirmed at the same exposure level, despite the fact that the total number of children tested has grown by more than 51% from 95,166 in 1997 to 143,972 in 2007. While the lead poisoning problem in North Carolina has decreased, lead poisoning is still a problem that impacts affected children their whole lives.

#### Actions Taken to Address Lead Based Paint Hazards

The North Carolina Housing Finance Agency (NCHFA) has operated single and multi-family housing rehabilitation programs benefiting lower-income families since 1983, comprehensively rehabilitating nearly 12,103 units and providing urgent repairs for over 9,300 units. All HOME-assisted housing units meet the 24 CFR 35 lead paint standards.

NCHFA operates the Lead Abatement Partnership Pool, which assists low-income homeowners with pre-1978 houses where a child under 6 is an occupant or frequent visitor. Funding for the program is through NC DENR Federal Lead Hazard Control Grant. The funding is provided as a grant for rehabilitation and relocation costs. Funds can also be combined with NCHFA's Single Family Rehabilitation Program.

NCHFA continues to work with NC CLPPP and DENR. The NC CLPPP and partner agencies address lead-based paint hazards in North Carolina through the Ad Hoc Lead Advisory

<sup>24</sup> North Carolina Department of the Environment and Natural Resources Children's Environmental Health Branch. North Carolina Lead Surveillance Data. 2007.  
[http://www.deh.enr.state.nc.us/ehs/Children\\_Health/Lead/Surveillance\\_Data\\_Tables/surveillance\\_data\\_tables.html](http://www.deh.enr.state.nc.us/ehs/Children_Health/Lead/Surveillance_Data_Tables/surveillance_data_tables.html)

<sup>25</sup> NC Strategic Plan to Eliminate Lead Poisoning. July 2006. 1-20  
[http://www.deh.enr.state.nc.us/ehs/Children\\_Health/NCLeadEliminationPlanAndSummaryPage-Rev071406.pdf](http://www.deh.enr.state.nc.us/ehs/Children_Health/NCLeadEliminationPlanAndSummaryPage-Rev071406.pdf)

Committee. The NC CLPPP currently coordinates clinical and environmental services aimed at eliminating childhood lead poisoning in North Carolina.

As required by the Centers for Disease Control (CDC), NC CLPPP developed the “NC CLPPP Plan to Eliminate Childhood Lead Poisoning by 2010”. NCHFA was represented and part of a group of health and housing professionals who developed the plan. The plan reflects a comprehensive approach to eliminating lead poisoning, and the plan’s mission is to eliminate lead poisoning in North Carolina’s children by 2010 through health and housing initiatives. One of the measures of the plan was to secure funding to reduce or eliminate lead hazards in properties inhabited by children. This measure has been achieved, because Lead Hazard Control Grant funds were obtained.

North Carolina is also implementing the national rule and state law that were passed in 2008 and 2009, 40 CFR Part 745 Subpart E and G.S. 130A-453.12. These require the use of lead-safe work practices to prevent lead poisoning.

### **Anti-Poverty Strategy**

In addition to the provision of safe, decent, and affordable housing for all North Carolinians, a core mission of the Consolidated Plan partners is to help alleviate poverty in North Carolina. Creating programs and tailoring existing ones to assist people in improving their economic well being is a cornerstone to all housing and community development work. Housing and community development and economic development are all inter-related, and the elimination of poverty for all North Carolinians is a recurring theme in our work.

When addressing poverty state-wide it is unrealistic that the Consolidated Plan partners’ programs can address all factors that are related to poverty for North Carolinians. The Consolidated Plan partners understand that eradication of poverty means providing residents the tools to help themselves achieve greater financial stability. In addition, the Consolidated Plan partners also know that state agencies can not address poverty alone. Investment of local resources is also necessary in order to address poverty across the state of North Carolina, given the limited resources at the state level.

### **Division of Community Assistance Anti-Poverty Strategy**

The Division of Community Assistance believes that the true eradication of poverty means providing a holistic approach to community development. The CDBG eligible activities are designed within the framework that allows grantees to address housing, infrastructure, economic, human capital and all other community development needs. In 2001, the Division of Community Assistance created the Revitalization Strategies category. Grantees in this category are allowed to undertake any eligible activity to address housing, infrastructure, economic, human capital and all other community development needs within a neighborhood-level target area. The goal of this program is to tackle all of the issues that are plaguing a particular neighborhood and work to improve conditions in all aspects within a five year time frame. Revitalization strategies are

working to alleviate poverty in ways that are outside of the purview of typical community development projects.

The Division of Community Assistance in concurrence with the Consolidated Plan partners also believes that eradication of poverty mean providing residents with tools to help themselves improve financial stability.

In addition, DCA also believes in the importance of the prevention of poverty. The Division will continue to operate the Individual Development Account category which provides down payment assistance, credit and housing counseling, financial literacy, and homeowner education to prospective first time homebuyers. By assisting low income residents to acquire wealth, the Division has programs in place that will help provide those residents a “step up” out of poverty as well as build wealth and skills so that residents can remove themselves from the debt cycle that plagues many low income families.

As a method to ensure that funds are directed to areas of high poverty across the state, many CBDG categories reserve their grant funds for Tier I and Tier 2 counties and state development loans. The Tier system is based on North Carolina Williams S. Lee Quality Jobs and Business Expansion Act, which divides counties into tiers based upon their relative economic development needs. Tier 1 and Tier 2 counties are seen as having a more dire need for economic and community development services. Grant categories such as Revitalization Strategies are set aside for those counties. State Development Zones are particular areas of counties or municipalities that through census and other quantitative data, demonstrate high levels of poverty and other characteristics of high levels of economic and community development need. Neighborhoods in the State Development Zone (but not in entitlement cities) are also entitled to the same preferences as Tier 1 & 2 counties.

#### North Carolina Housing Finance Agency Anti-Poverty Strategy

Many of the activities NCHFA plans to undertake or continue in the 2011-2015 period are anti-poverty activities:

- \* Financing of supportive rental housing
- \* Providing funding for qualified low, very low, and extremely low income home buyers through individual development accounts.
- \* Financing of transitional and permanent housing for homeless and disabled persons.
- \* Operating and promoting programs that prevent foreclosure.
- \* Providing rent assistant for homeless and/or disabled households through the Key Program.
- \* Administering HUD rent assistance contracts for 24,000 privately owned apartments

#### Office of Economic Opportunity, Emergency Shelter Grant Anti-Poverty Strategy

The Emergency Shelter Grants Program annually allocates approximately 2.5 million to local units of government and non-profit agencies. These funds are provided for operation expenses,

supportive services, and prevention activities all of which are anti-poverty activities that benefit low income persons.

### **Institutional Structure of Consolidated Plan Partners**

The Consolidated Plan partners are instrumental in the provision of the housing and community development services to the residents of North Carolina and are not alone in assisting North Carolinians in this matter. Below are brief descriptions of each agencies' institutional structure. As required by the Consolidated Plan regulation, each agency has provided further information about their institutional structures with strengths and gaps of the delivery system in each agency plan, later in the document.

#### **CDBG Structure**

Administered by the North Carolina Department of Commerce, Division of Community Assistance, the CDBG Program provides grants to non-entitlement local governments **for projects that enhance the viability of communities by providing decent housing and suitable living environments and by expanding economic opportunities, principally for persons of low- and moderate-income.**

North Carolina expects to receive approximately \$45,000,000 in CDBG funds over the next five years. Of this amount, \$28,700,000 will be made available for the following housing-related programs: Community Revitalization, Scattered Site Housing, and Housing Development. In addition, other funds may become available as a result of additional HUD allocations, recapture, reversion, or carry-over of prior year funds and program income. The state makes these funds available through grants to non-entitlement governments statewide.

#### **HOME Structure**

The North Carolina Housing Finance Agency is a self-supporting public agency. The Agency's mission is to create affordable housing opportunities for North Carolinians whose needs are not met by the market. Since its creation in 1973 by the General Assembly, NCHFA has financed more than 196,000 homes and apartments, totaling \$12.3 billion. NCHFA provides financing through the sale of tax-exempt bonds and management of federal and state tax credit programs, the federal HOME Program, the state Housing Trust Fund, and other programs. It partners with local governments (cities, counties, Councils of Government, etc), with nonprofit organizations, with private for-profit organizations, and with other state departments, as well as other parties. Using these resources and its own earnings, the NCHFA offers low-cost mortgage and down payment assistance for first-time home buyers, finances affordable homes and apartments developed by local governments, nonprofit organizations, and private owners, finances the development of housing for people with special needs, finances the rehabilitation of substandard owner-occupied homes, and administers HUD rent assistance contracts for 24,000 privately owned apartments statewide.

### ESG Structure

The Emergency Solutions Grant is administered by the North Carolina Department of Health and Human Services, Office of Economic Opportunity. Established in 1966, the goal of the Office of Economic Opportunity is to help meet the needs of the poor by encouraging local grantees to develop innovative projects which better address the causes, conditions and problems of poverty and to serve as an advocate for low-income families. The North Carolina Emergency Solutions Grants Programs anticipates providing more than \$12.5 million to local units of government and non-profits for the provision of operation, services, and prevention activities.

### HOPWA STRUCTURE

The AIDS Care Unit (ACU) administers the HOPWA Formula Grant. This Unit is within the NC Department of Health and Human Services, Division of Public Health, Epidemiology Section, Communicable Disease Branch. The mission of the Branch is to reduce and eventually eliminate morbidity and mortality due to sexually transmitted diseases (syphilis, gonorrhea and Chlamydia), Human Immunodeficiency Virus (HIV) and Acquired Immune Deficiency Syndrome (AIDS), and to assure that an up-to-date continuum of care services are available to all HIV-infected individuals residing in North Carolina.

### Coordination

Coordination among agencies, nonprofits, and the private sector has become increasingly important as budgets have tightened over recent years. To increase coordination, the state has several housing and community development policy bodies including the Housing Coordination and Policy Council (HCPC), the Interagency Council for Coordinating Homeless Programs (ICCHP), the North Carolina Housing Partnership, the Community Development Council, and the Economic Development Board.

### Housing Coordination and Policy Council

The Housing Coordination and Policy Council (HCPC) is a 15-member advisory group that was created by state statute in 1989 to strengthen cooperation among the state's housing finance and housing service providers. Its purpose is to advise the Governor regarding the coordination of housing programs, the preparation of a comprehensive state housing plan, the best use of housing resources, and other housing-related topics. Its membership consists of representatives of various state agencies concerned with housing and services for low and moderate income North Carolinians and nonprofit organizations experienced with housing programs and advocacy.



### Interagency Council for Coordination Homeless Programs

The North Carolina Interagency Council for Coordinating Homeless Programs, the Interagency Council or ICCHP, was originally established by Governor's Executive Order 168 on May 29, 1992. The Council serves as an advisory council to the Governor and Secretary of the Department of Health and Human Services and provides information on problems and issues affecting persons who are homeless or vulnerable to homelessness. It also serves as the guiding force in the development and implementation of the state's Ten Year Plan to End Homelessness. The ICCHP consists of 29 members who are appointed by the Governor and represent nonprofit organizations serving the homeless, county and city government, public housing authorities, the private sector, and state agencies.

### North Carolina Housing Partnership

The Housing Partnership is the board whose responsibility it is to oversee the use of the Housing Trust Fund. Five members are appointed by the President Pro Tempore of the Senate, and five members are appointed by the Speaker of the House, and there are three ex-officio members: Executive Director of NCHFA, Secretary of Commerce (or designee), and the State Treasurer (or designee).

### Community Development Council

The Community Development Council is a board appointed by the Governor to work with the Division of Community Assistance on community development initiatives. The CDC is made up of local elected officials. It also advises DCA on planning issues such as the annual action plan.

### North Carolina Department of Health and Human Services Housing Workgroup

The NC DHHS Housing Workgroup was established by the Secretary of DHHS to assist with the fragmentation of housing services provided by agencies within DHHS. The workgroup is to identify technical assistance needs and strategies to assist each Division in their efforts to better serve the housing needs of their constituents.

## **Low Income Housing Tax Credit**

The North Carolina Housing Finance Agency (NCHFA) administers the Low Income Housing Tax Credit (LIHTC) program in North Carolina. The LIHTC program produces and rehabilitates approximately 2,000 units of affordable rental housing units each year for low-income households. The distribution of this resource is governed by the state's annual Qualified Allocation Plan (QAP). Under IRS Code Section 42 (m)(1)(B)(ii), QAPs must give preference to projects

- \* Serving the lowest income tenants,
- \* Obligated to serve qualified tenants for the longest periods, and

- \* Which are located in qualified census tracts and the development of which contributes to a concerted community revitalization plan

Each state's QAP must also include the following as application selection criteria:

1. Project location
2. Housing needs characteristics
3. Project characteristics, including whether the project includes the use of existing housing as part of a community revitalization plan.
4. Sponsor characteristics
5. Tenant populations with special housing needs
6. Public housing waiting lists
7. Tenant populations of individuals with children
8. Projects intended for eventual tenant ownership

North Carolina's QAP complies with all of the above and has other criteria and requirements adopted by the N.C. Federal Tax Reform Allocation Committee. This committee is responsible for reviewing and approving the QAP, which is then signed by the Governor. Before that occurs, NCHFA collects comments from interested parties in writing and at public meetings. The draft QAP presented to the Committee and Governor is based on this extensive public input and NCHFA's staff experience.

The QAP is generally compatible with the goals of the Consolidated Plan because the LIHTC program produces multifamily housing units affordable to persons at or below 60% AMI. The North Carolina Division of Community Assistance (DCA) collaborates with NCHFA on some LIHTC projects by providing qualified projects with Community Development Block Grant funds.

### **Monitoring**

Each of the Consolidated Plan Partners has plans for monitoring and ensuring compliance in their own programs. These plans may include elements such as site-visits, file reviews, interviews with residents, and reviews for compliance with federal and state regulations (such as Davis-Bacon, Section 3, Fair Housing, Language Access, Equal Opportunity and Procurement, requirements). The monitoring plans vary by program and funding source. Consolidated Plan partners are subject to both federal regulations and established regulations as set forth in the state of North Carolina Administrative code. Although all various HUD programs are subject to various federal regulations and separate state regulations there are some common monitoring requirements with the monitoring of the HUD programs. All partners as required certify the United States Department of Housing and Urban Development that each program will comply with all applicable laws and regulations.

All consolidated plan partners are prohibited by state administrative code from entering into a new grant agreement with any agency, local government, and or organization that has been identified by the State Office of Budget and Management on the State Do Not Fund List.

## **PART II**

# **Agency Plans for 2011-2015**

**Division of Community Assistance  
North Carolina Housing Finance Agency  
Emergency Shelter Grant  
Housing Opportunities for Persons with Aids**

## North Carolina Division of Community Assistance

### Agency Plan for 2011-2015

#### **Background Information**

Administered by the North Carolina Department of Commerce, Division of Community Assistance, the CDBG Program provides grants to non-entitlement local governments **for projects that enhance the viability of communities by providing decent housing and suitable living environments and by expanding economic opportunities, principally for persons of low- and moderate-income.**

North Carolina expects to receive approximately \$45,000,000 in CDBG funds yearly over the next five years. Of this amount, \$28,700,000 will be made available for the following housing-related programs: Community Revitalization, Scattered Site Housing, and Housing Development. In addition, other funds may become available as a result of additional HUD allocations, recapture, reversion, or carry-over of prior year funds and program income. The state makes these funds available through grants to non-entitlement governments statewide.

#### **Institutional Structure**

The North Carolina Division of Community Assistance (DCA) is part of the North Carolina Department of Commerce, led by the state Secretary of Commerce, who reports directly to the Governor. The mission of the North Carolina Department of Commerce is “To improve the economic well-being and quality of life for all North Carolinians.”

The Department of Commerce's Division of Community Assistance (DCA) and Commerce Finance Center (CFC) administer the state of North Carolina's Community Development Block Grant (CDBG) program to local governments in non-entitlement areas. Non-entitlement areas are cities with populations of less than 50,000 (except cities that are designated principal cities of Metropolitan Statistical Areas), and counties with populations of less than 200,000.

The primary statutory objective of the CDBG program is to develop viable communities by providing decent housing and a suitable living environment and by expanding economic opportunities, principally for persons of low- and moderate-income. The state must ensure that at

least 70 percent of its CDBG grant funds are used for activities that benefit low- and moderate-income persons.

All North Carolina small cities are eligible to apply for funds except for 23 entitlement cities that receive funds directly from the U.S. Department of Housing and Urban Development (HUD).

These directly-funded cities include: Asheville, Burlington, Cary, Chapel Hill, Charlotte, Concord, Durham, Fayetteville, Gastonia, Goldsboro, Greensboro, Greenville, Hickory, High Point, Jacksonville, Kannapolis, Lenoir, Morganton, Raleigh, Rocky Mount, Salisbury, Wilmington, and Winston-Salem.

All counties, except for the two HUD-designated urban counties of Wake and Cumberland, are eligible to apply for Small Cities CDBG funds. All municipalities in the two counties are ineligible except for the Town of Holly Springs in Wake County and the Town of Linden in Cumberland County.

### **Grants Management and Program Development**

Grants Management and Program Development division is responsible for writing of guidelines and applications for each CDBG category, providing technical assistance to potential grantees and members of the public on the front end of the grant process, rating applications and monitoring demonstrations grants and all planning efforts for DCA. Grants Management provides technical assistance to grantees once they have been awarded, monitors to ensure that grants in established categories and ensure CBDG compliance on the part of the grantees, and assist with grant closeout and proper documents for all grants.

### **Community Development Council**

The Community Development Council is a board appointed by the Governor to work with the Division of Community Assistance on community development initiatives. The CDC is made up of local elected officials. It also advises DCA on planning issues such as the annual action plan and the Consolidated Plan.

### **Strength and Gaps in Service Delivery**

DCA has a number of strengths as an agency. DCA has the ability to meet a variety of needs for community development statewide. The flexibility of DCA funds, allows the state of North Carolina program to continue to be responsive to the needs of the citizens and communities of North Carolina. DCA is consistently redesigning programs and new ones are introduced in order to meet the state's latest community development challenges and needs. In addition, DCA has highly capable staff to provide technical assistance on a variety of forums; DCA offers more local communities' opportunities to participate in the CBDG programs.

Another key strength in the CBDG program is the ability for partnership. The CBDG program partners with an array of Consolidated Plan partners to implement new diverse program

initiatives that allow stakeholders a more comprehensive delivery of services for community development needs.

DCA with its numbers of strengths, also faces some challenges. As community development needs grow throughout North Carolina, the lack of funds to meet all identified needs throughout the state is also a challenge. Though the flexibility of CDBG funds creates more interest in the CDBG program, the lack of funding to meet those needs is a challenge. Meeting the demands both geographically and by type of need with limited funds is a constant struggle and criticism of the CDBG program.

DCA as with other agencies face state budgetary conditions. State budgetary conditions have limited DCA's capacity to provide technical assistance as demanded in communities and present a weakness in the Division's ability to provide housing and community development services. DCA staff will continue to provide assistance to all communities and members of the public to the best of their ability.

### **Division of Community Assistance Programs**

DCA has designed its eight grant programs to increase local activities that identify and reduce barriers to fair and affordable housing in areas receiving CDBG funding and that support development of soundly designed affordable rental and single-family housing. The Division continues to target investments toward distressed rural areas and high priority small cities through the Commerce Department's 21<sup>st</sup> Century Communities Program, Urban Progress (UP) and Agrarian Growth (AG) Zones, and distressed counties.

The DCA's Individual Development Account (IDA) program assists with homeownership for residents of households that are below 80 percent of MHI. The Capacity Building program helps nonprofits develop projects and apply for funding in partnership with their local government.

DCA will continue to work with governmental and non-governmental groups to enhance coordination and to serve on statewide boards and councils, as well as reviewing plans submitted by housing agencies and public housing authorities in order to certify consistency with the Consolidated Plan.

The Division is prepared to react to severe economic crises such as plant closings and severe economic crises by coordinating economic recovery plans and implementing recovery activities. In response to severe natural or other disasters, the Division is prepared to react to meet the urgent needs of our state's communities.

DCA continues to encourage local governments to be involved with lead-based paint removal programs and to work with agencies that are established to mitigate the problem. The Division offers training workshops and courses throughout the year to assist local governments and service providers in better understanding DCA programs and requirements, as well as working with the UNC Institute of Government to provide a community development certificate training program for grant administrators.

The information provided in this section is designed to give an overview of programs. Programs are subject to change based upon availability of funding, regulatory requirements, and also indentified needs.

DCA in 2011-2015 will maintain some the key standard programs offered within DCA, but will also create new programs to meet some unmet needs that have been identified through the Consolidated Plan.

### **Energy Efficiency and Rehabilitation Standards**

North Carolina's program will ensure that the golden opportunity to upgrade the energy efficiency of the target homes while they are being rehabilitated is not missed, especially as it relates to transit accessibility, green building and energy efficiency.

When possible, the following standards will apply.

1. **Effective Insulation** - Properly installed and inspected insulation in floors, walls, and attics ensures even temperatures throughout the house, reduced energy use, and increased comfort.
2. **High-Performance Windows** - Energy-efficient windows employ advanced technologies, such as protective coatings and improved frames, to help keep heat in during winter and out during summer. These windows also block damaging ultraviolet sunlight that can discolor carpets and furnishings.
3. **Tight Construction and Ducts** - Sealing holes and cracks in the home's "envelope" and in heating and cooling duct systems helps reduce drafts, moisture, dust, pollen, and noise. A tightly sealed home improves comfort and indoor air quality while reducing utility and maintenance.
4. **Efficient Heating and Cooling Equipment** - In addition to using less energy to operate, energy-efficient heating and cooling systems can be quieter, reduce indoor humidity, and improve the overall comfort of the home. When properly installed into a tightly sealed home, this equipment won't have to work so hard to heat and cool the home.
5. **Efficient Products** - ENERGY STAR qualified homes may also be equipped with ENERGY STAR qualified products — lighting fixtures, compact fluorescent bulbs, ventilation fans, and appliances, such as refrigerators, dishwashers, and washing machines.
6. **Third-Party Verification** - With the help of independent Home Energy Raters, ENERGY STAR contractors chose the most appropriate energy-saving features for their homes. Additionally, raters conduct onsite testing and inspections to verify the energy efficiency measures, as well as insulation, air

tightness, and duct sealing details.

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### Other Sustainable Development Practices

DCA will use Energy Efficient and Environmentally-Friendly Green Elements as available in meeting the Energy Star certifications of any residential property that are economically feasible.

Priority will be given to the following (in addition to those mentioned above):

- *Sustainable Landscaping*
- *Energy Efficient Landscaping*
- *Durable, Heat Absorbing and Local Source Materials Usage*
- *Green Label Certified and Healthy Flooring*
- *Sealing Joints*
- *Tub and Shower Enclosures for Moisture Prevention*
- *Green Maintenance Guide and Resident Orientation*

### Scattered Site Housing

***Scattered Site Housing (SSH)*** grants will be made to local county governments on a rotating basis to address housing needs of very low income families throughout the county. County governments can receive \$400,000 every 3 years with funds targeted to very low-income homeowners for rehabilitation or replacement purposes. Counties submit a detailed plan that includes all interested municipalities within the county describing how funds will be distributed to meet housing needs. Scattered Site Housing applicants may request that up to ten percent of funds be set aside for local option to undertake emergency repairs or repair/replace on-site well and/or septic systems.

Those counties that accomplish their goals and exhaust funds within two years are eligible to receive up to an additional \$100,000 to continue activities allowed in the SSH category subject to funding availability. Selection Criteria for Scattered Site Housing awards include: community need; community impact; project design; financial feasibility; distribution plan; and participation process.

### Small Business and Entrepreneurial Assistance

***Small Business & Entrepreneurial Assistance (SBEA)*** grants help develop a coordinated effort for assisting the existing small business/ entrepreneurial sector. SBEA projects will be selected on a competitive basis for a 24-30 month funding cycle. Funding will be awarded to the state's most distressed local governments (i.e., applicants must be Tier 1 and/or 21<sup>st</sup> Century Communities). Application are rated and ranked using the selection criteria as follows. Further explanation is available in the application guidelines and on the website of the DCA.



## **Infrastructure**

***Infrastructure (IF)*** An estimated total of \$5.14 million will be available in the Infrastructure category. Eligible local governments may obtain grants of up to \$750,000 to provide new infrastructure (public water and/or public sewer) to existing residential neighborhoods to correct problems that pose a severe health or environmental risk. In an effort to address needs in 21<sup>st</sup> Centuries Communities, half of the total IF funds will be available to local governments in the 21<sup>st</sup> Century Communities on an open-ended basis. The other half of the funds will be available to all eligible local governments.

Applicants with one or more current grants in any category except economic development must meet financial or closeout requirements as specified in the grantee's performance based contract and in the closeout schedule for each grant fiscal year. Problems with previous grants must be resolved.

Criteria for IF awards include: severity of needs; benefit to low and moderate income persons; local commitment; treatment of needs; and appropriateness and feasibility.

### **Infrastructure Hook-Up**

Grants will be made available to eligible local governments applying on a first-come, first-serve basis for the Infrastructure Hook-Up Program. This program constitutes \$1 million of the total infrastructure allotment. Eligible activities include costs and fees associated with connecting lower income families to existing water or sewer lines.

Eligibility of grantees in previous grant cycles and proper closeouts of previous grant cycles apply. 100% LMI benefit must be shown on a benefit form. Applications will be accepted in an open window cycle in a 2-step process until allocated funds are depleted or until a specified date.

Applicants must be on a list and have a reservation of funds in order to submit an application. Applications are reviewed in the order submitted and review criteria include conformity with basic criteria to apply and eligible activities. A balanced distribution of program funds will also be considered as a factor in making awards.

### **Economic Development (ED)**

This category will continue the policy of providing higher levels of funding to the most economically distressed areas of the state. The following considerations will be included for job creation and retention projects during the 2010 program year: 60% of the jobs created or retained in a project must benefit persons qualifying as prior low and moderate income (LMI). Funding for Economic Development projects is based on the number of jobs to be created or retained and the level of distress in the community applying for the funds. Areas with higher distress rankings, based on the North Carolina Tier rating system, are eligible for more funds per job created. Additional CDBG funding per job is available for projects proposed to be located in a current 21st Century Communities as designated by the Secretary of Commerce.

CDBG funds are granted to local governments for various types of infrastructure improvements to assist business expansion or retention. A local funding match of at least one dollar for every three CDBG dollars is required except for the 25 most distressed counties as ranked for the Article 3J Tax Credits legislation and current 21st Century Counties. In a secondary priority to infrastructure projects and at the discretion of the Secretary of Commerce, direct financial assistance to private companies is available as loans to be negotiated by the local government applicant and a participating North Carolina commercial bank at a level not to exceed 50% of the bank loan. Repayment of the loan by the private company becomes program income to the state and is deposited into a CDBG economic development revolving loan fund (RLF). Funding from the RLF is available only as loans.

Loans for industrial shell buildings are available from the RLF based on the projected number of jobs to be created and the level of distress in the community. These loans will be at a 2% interest rate with a maximum term of 5 years. Principle payments are deferred for the first two years of the loan. A dollar for dollar match is required by the local government applicant for an industrial shell building. Also, up to \$500,000 will be set aside in the RLF for counties in Tiers 1-3 as loans to assist with the costs associated with certifying industrial sites. These grants are repaid after the certified site is sold or within five years of award.

Funds are granted to local governments that propose a project in conjunction with a private for profit business that proposes to restore a vacant building to economic use resulting in the creation or retention of permanent, full-time jobs by the project company. To be eligible, documentation must be provided showing the building has been vacant thirty (30) consecutive days or more. CDBG funds for this category are limited to a maximum of \$750,000 per unit of government per program year. The grant amount is calculated based on \$20,000 per job for 3J Tax Credit eligible businesses (see chart) and \$12,000 per job for businesses not eligible for tax credits. CDBG funds provided to the company by the local unit of government will be in the form of a forgiven loan. The loan has a term of five years with no principal or interest payments. If the project company retains the jobs pledged in the loan agreement for the five year term, the entire amount is forgiven. Certain threshold requirements apply, including: \$1.25 million cap for the yearly funding cycle; expenditure levels of open grants; and proper closeout of previous grants.

**Capacity Building (CB)** grants of up to \$75,000 will be made available to local governments to assist established non-profit organizations with steady and reliable income streams develop appropriate and competitive CDBG projects and gain functional capacity in a new and different role. The total amount of funds available for this non-competitive program will not exceed \$375,000. Funds are available on a first-come-first-serve basis with priority going to local governments from 21<sup>st</sup> Century Communities, Tier 1 Counties, and UP or AG Zones. A Capacity Building grant is expected to result in a future application in one of the CDBG categories. Funds for Capacity Building grants will be made available from program income.

Selection Criteria include previous CDBG experience, feasibility of the project to result in a future CDBG application, and financial feasibility of the non-profit to carry out the project and any future products.

***Talent Enhancement Demonstration Grant Program*** also known as (TEDGS) is a pilot program targeting local units of government to enhance the capacity to develop strategic and competitive CDBG proposals and grant administration. The aspects of enhancement include economic impact analyses, community survey research and design, grant administration and writing, and feasibility study preparation. The Talent Enhancement Demonstration Grants program is funded through the Community Development Block Grant (CDBG) in the amount of \$600,000. The grants will be awarded through a first come, first serve competitive process with priority given to Tier 1 counties and local government in 21<sup>st</sup> century Communities. A Talent Enhancement Demonstrate Grant must result in a future application in one of DCA's CDBG grant categories.

***The NC Development Loan Fund (NCDLF)***, also known as the Section 108 Loan Guarantee Program, pledges future CDBG allocations as security for loans in accordance with the HUD Section 108 Loan Guarantee Program Final Rule published November 6, 1991. Applications may be submitted at any time during the year, as long as funds are available from HUD.

The maximum loan is \$5 million. The state may enter into loan guarantee agreements in support of projects sponsored by individual local governments with a minimum loan of \$750,000 or in support of loan pools of two or more projects supported by local governments with a minimum of \$250,000. Projects must meet minimum criteria with respect to equity, collateral and underwriting standards. The Department of Commerce is currently evaluating the Section 108 program to see if changes should be recommended.

### **NC Catalyst Program**

The NC Catalyst Program is a new program that consolidated several existing programs and activities such as Housing Development and Individual Development Accounts. The NC Catalyst Program will use de-obligated funds to fund unmet needs under the NC Catalyst Program.

***NC Tomorrow*** is a pilot program to spur regional planning for viable sustainable communities throughout North Carolina. The ***NC Tomorrow*** planning initiative will center on the six livability principles established by the federal Partnership for Sustainable Communities. The ***NC Tomorrow*** Program will provide planning grants to as many as 17 non-entitlement local governments serving as the lead regional coordinator within each of the 17 Council of Governments (COGs) regions. In exchange for the grant, the non-entitlement local unit of government must foster regional multi-jurisdictional participation around the program goals and develop the regional ***NC Tomorrow*** Sustainable Strategic Plan. A total of \$1,275,000 of proposed 2011 Community Development Block Grant funds has been set aside for planning grants under this program. A maximum of \$75,000 will be awarded to a non-entitlement local government serving as the lead regional coordinator. The grantee may use up to \$7,500 for grant administration. The remaining funds will be available for CDBG-eligible activities to prepare the regional ***NC Tomorrow*** Sustainable Strategic Plan.

***Disability Displacement Prevention Program*** in conjunction with North Carolina Housing Finance Agency and the North Carolina Vocational Rehabilitation Office, Independent Living Office, the Division of Community Assistance will partner with these agencies for the Disability

Displacement and Prevention Program. Local government will work with the Independent Living Office to provide accessibility and rehabilitation to persons qualified and eligible for this service by the Independent Living Office. The Independent Living Office staff will serve as the grant administrators in conjunction with the local government to administer funds for this program. De-obligated funds will be used to support activities under this category.

### **Technical Assistance**

**Technical Assistance (TA)** funds are used to develop the professional skills and capabilities of local community development grant administrators. Each year, DCA and the University of North Carolina at Chapel Hill's Institute of Government present a 5-day Community Development Academy for grant administrators. Participants that complete the course and pass an exam receive a certificate of completion, indicating knowledge of community development topics. In addition, funds are used to hold a variety of workshops and seminars throughout the year, taught by DCA staff and others.

### **Monitoring**

All CBDG recipients of state CBDG Small Cities Program funds must adhere to all Program policies, procedures and requirements as specified in the application approved by DCA. The CBDG recipients certify that they will comply with all applicable federal and state laws, regulations, rules and Executive Orders, pursuant to Paragraph (e) of Rule .0407 of the North Carolina Community Development Block Grant Administrative Rules, 4 NCAC 19L. In addition, all CBDG recipients are also required to comply with all lawful requirements of DOC, all applicable requirements of the General Statutes of the state of North Carolina specifically N. C. G. S. 87-1-87-15.9 and any other applicable laws, rules, regulations, requirements, and Executive Orders currently or hereafter in force. Recipient is prohibited from any fraud, waste and abuse of CBDG funds by any person or entity. The rules contained in 4 N.C.A.C. 19L (as well as applicable federal rules and regulations) are part of the Agreement, except where specifically modified by applicable law, rule, regulation, DOC, the CBDG HUD Program Requirements and any subsequent amendments, regulations or clarifications to any of the foregoing.

Additionally, CBDG recipients agrees to ensure compliance with respect to the Program and the Grant (and any of its proceeds) with all applicable federal and state laws, rules, regulations and requirements, including but not limited to the following (as each may be modified or amended): (1) the CBDG HUD Program Requirements; (2) Title I of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5301 *et seq*), (3) existing CBDG laws, rules, regulations and requirements, as may be amended, including those set forth in 24 C.F.R., Part 570; (4) North Carolina laws, rules, regulations and requirements; (5) DOC guidance and requirements regarding CBDG now or hereafter in effect, including but not limited to: DOC's CBDG Guidelines and Application Instructions, and DOC bulletins or other guidance documents; and (6) Recipient's own approved CBDG application to DOC, as may be amended with DOC approval.

The CDBG Grants Management Division staff will monitor all CDBG funded activities and grants. In addition, the Compliance Division will also conduct compliance reviews throughout the life of the grant to ensure that the grantees are in compliance with all applicable laws and regulations. With all monitoring of grants, it is the design of our programs to use all monitoring visit as an opportunity to provide technical assistance to the CDBG grantees.

# **North Carolina Housing Finance Agency**

## **Agency Plan for 2011-2015**

### **Background Information**

The North Carolina Housing Finance Agency is a self-supporting public agency. The Agency's mission is to create affordable housing opportunities for North Carolinians whose needs are not met by the market. Since its creation in 1973 by the General Assembly, NCHFA has financed more than 196,000 homes and apartments, totaling \$12.3 billion. NCHFA provides financing through the sale of tax-exempt bonds and management of federal and state tax credit programs, the federal HOME Program, the state Housing Trust Fund, and other programs. It partners with local governments (cities, counties, Councils of Government, etc), with nonprofit organizations, with private for-profit organizations, and with other state departments, as well as other parties. Using these resources and its own earnings, the NCHFA offers low-cost mortgage and down payment assistance for first-time home buyers, finances affordable homes and apartments developed by local governments, nonprofit organizations, and private owners, finances the development of housing for people with special needs, finances the rehabilitation of substandard owner-occupied homes, and administers HUD rent assistance contracts for 25,000 privately owned apartments statewide.

### **Institutional Structure**

NCHFA operations are overseen by a geographically diverse 13-member Board of Directors. The Governor, President of the Senate, and Speaker of the House of Representatives each appoint four members, and these 12 members elect a thirteenth. The Board of Directors appoints the Agency Executive Director, subject to approval by the Governor; and the Executive Director hires all staff. NCHFA statute describes its board composition, general powers, program authority, and financing capability.

NCHFA reports its budget through the Office of State Budget and Management in the Governor's Office. Its financial accounts are audited annually by an independent auditing firm. NCHFA bonds are rated AA by Standard and Poor's and Aa2 by Moody's.

### **Strengths and Gaps**

NCHFA has a number of significant strengths; particularly that it is a single purpose housing agency with flexible funding resources. The NCHFA has developed enormous technical expertise and knowledge in its staff and Board of Directors through successfully operating a diverse group of housing programs.

One challenge NCHFA faces is an uncertain interest rate environment. NCHFA has private activity volume cap sufficient to meet its current homeownership goals. It offers a variety of loan products (conventional, FHA, USDA, and VA) and has 90 and 150 day interest rate guarantees. Because market interest rates are so low, NCHFA's FirstHome mortgage product is not as competitive. To continue to provide homeownership opportunities for low and moderate income homebuyers, NCHFA has expanded its Mortgage Credit Certificate Program.

NCHFA also recognizes as a weakness in the housing delivery system the lack of sufficient programs to address foreclosures. However starting in late 2010, NCHFA will be implementing new programs targeted at foreclosure prevention, as part of President Obama's Housing for Hardest Hit Initiative.

### **NCHFA Programs**<sup>26</sup>

NCHFA's FirstHome Mortgage program offers low-rate mortgages for first-time homebuyers. It is targeted to moderate and low income individuals who haven't owned a home in the last three years. NCHFA also provides interest-free deferred second mortgages up to \$8,000 to pay a substantial part of the down-payment and closing costs for homebuyers below 80% of median income.

The Mortgage Credit Certificate is a valuable tax credit program for eligible borrowers. An MCC reduces a borrower's tax liability, dollar-for-dollar, by 20% of the mortgage interest they pay. The maximum MCC tax credit is 20% of the interest paid--up to \$2,000--every year that the buyer occupies the home.

The Home Protection Program (HPP) helps workers who have lost their jobs because of changing economic conditions (i.e. through no fault of their own) and need assistance to avoid losing their home to foreclosure. The Program was created and funded by the General Assembly. Displaced workers apply through a participating local housing counseling agency who determines the homeowner's eligibility to apply for assistance and helps them submit an application to the Agency. Successful applicants can receive a loan to pay the mortgage while they look for a job or train for a new one. Loan funds can be used to pay the homeowner's mortgage and related expenses, such as property insurance, homeowner dues, and property taxes.

The New Homes Loan Pool provides interest-free, deferred payment second mortgage loans for the purchase of newly constructed, substantially rehabilitated homes or foreclosed homes. Assistance is targeted to home buyers below 80% of area median income. The Self Help Loan Pool provides interest free mortgage loans for permanent financing of newly built homes using homebuyer sweat equity. Assistance is targeted to homebuyers below 50% of area median income. Both programs have some funds available for green building/energy efficiency measures. The IDA Loan Pool provides interest-free deferred payment second mortgage loans to homebuyers participating in local Individual Development Account (IDA) Programs. Assistance is targeted to households below 80% of area median income. Funds are also available for match.

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<sup>26</sup> Please note NCHFA programs are funded through many sources including the HOME Investment Partnerships Program.

The Housing Credit Program encourages the production of rental housing for low-income households by allowing a 10 year federal tax credit. The program has a two-part annual application cycle, requiring a preliminary application to be submitted in January and a full application in May. State Tax Credits are available for projects that receive an allocation of federal tax credits and meet certain income targeting requirements. The Rental Production Program provides loans for the construction of rental housing for households below 50% of area median income. The Preservation Loan Program provides loans for the rehabilitation and preservation of existing affordable housing developments that are not able to utilize other funding sources.

The Key Program provides operating assistance for persons with disabilities, making the rents affordable to individuals on SSI incomes. This program is funded in partnership with the North Carolina Department of Health and Human Services and is available to affordable housing developments that are participating in NCHFA programs like the Housing Credit Program.

The Supportive Housing Development Program provides interest-free loans for the production of emergency, transitional, and permanent housing for homeless families and individuals, and persons with special housing needs. This program serves households below 50% of area median income. The Supportive Housing Pre-development Loan program assists nonprofit organizations developing supportive housing by providing financing for pre-development costs such as architectural and engineering work, environmental reviews, appraisals, and consulting fees.

The Single Family Rehabilitation Program provides funds to local governments, regional agencies, and nonprofit organizations for forgivable, deferred-payment loans to rehabilitate single-family, owner-occupied homes. Assistance is targeted to elderly and disabled homeowners in eligible counties, who are below 80% of area median income.

The Urgent Repair Program provides funds to local governments, regional agencies, and nonprofit organizations for grants to correct housing conditions that pose an imminent threat to life or safety or that cause the displacement of households below 50% of area median income. The Displacement Prevention Partnership works with state and regional offices of Independent Living to provide accessibility modifications enabling very low income homeowners with severe mobility impairments to live at home.

The Duke Home Energy Loan Program (HELP) is available to homeowners below 80% of area median income through local governments, regional agencies and nonprofits within the Duke Power service area. Loan Pool funds are provided as deferred-payment loans to make homes more energy-efficient.

The Lead Abatement Partnership works with the Department of Health and Human Services and the Department of Environment and Natural Resources to eliminate lead paint hazards in owner-occupied homes of children with elevated blood lead levels.

In addition to these programs, NCHFA will become even more active in the area of foreclosure prevention since it is such an important issue for the state of North Carolina. On August 4, 2010,



the U.S. Treasury Department has approved the Agency's plan to use \$159 million of federal Hardest Hit Program funds to help North Carolinians who have suffered job loss or other financial hardships to save their homes from foreclosure. The housing finance agency has designed the new programs based on its experience with the smaller, state-funded Home Protection Program. Many of the same local counseling agencies that have delivered Home Protection loans will help deliver the new program.

Most of the new funds--\$115 million--will be used to make mortgage payments for unemployed workers while they seek jobs or complete job training in a new field. Others who, through no fault of their own, have gotten behind on their mortgage payments will be eligible for assistance while they get back on their feet.

Two smaller programs will reduce mortgage payments to an affordable level for homeowners who are working at reduced wages. One will refinance a high-cost second mortgage and the other will reduce mortgage principal through a loan modification. The Agency will work with mortgage servicers, investors, community banks, credit unions and other lenders who agree to participate in these loan programs. The second-mortgage refinance program will be offered only in high unemployment counties.

### **Monitoring**

The administration of HOME funds by the state of North Carolina is carried out in accordance with all relevant statutory and non-statutory rules and regulations. The state monitors all HOME recipients to ensure full compliance with program requirements. Monitoring procedures vary under the HOME Program by eligible activity.

In all cases, visits are used to provide technical assistance to recipients on compliance and program administration issues. Issues of compliance are also addressed during the application phase, when site and application reviews allow staff to identify ineligible projects and uses of funds.

Program officers assigned to individual projects are responsible for monitoring ongoing compliance with Environmental Review, Davis-Bacon, and fair housing requirements as well as specific program requirements and the certifications contained within the plan.

Under homeownership programs, each home buyer's transaction is reviewed to ensure eligibility. These transactions must undergo a full underwriting prior to loan approval. HOME loans are assigned to NCHFA. For these loans, Agency loan servicing staff monitor the loan throughout its term for compliance with repayment and recapture requirements and restrictions.

Under single family housing rehabilitation programs, all draw requests are reviewed by Agency staff prior to the release of funds. Quarterly reports and comprehensive completion reports are also required and reviewed by Agency staff. Onsite monitoring and technical assistance visits are made to all recipients. These monitoring visits focus on compliance with all relevant state

and federal regulations. In addition, staff visits are designed to help improve project efficiency and to ensure uniformly appropriate and high quality rehabilitation work.

Under rental programs, HOME funds are typically loaned to nonprofit and for-profit developers and under supportive housing programs, HOME funds are loaned to nonprofit organizations and local governments. For both activities, loan underwriting includes a subsidy layering review. Cost certifications are received prior to permanent loan closing and reviewed by Agency staff. Projects are inspected at completion of framing and prior to the loan closing. In addition, Agency staff makes annual onsite monitoring visits. These visits are not only to check for ongoing compliance with project management, tenant eligibility, fair housing rules and other program requirements, but also to review the property's physical condition and audit records, and to address issues of noncompliance.

**Office of Economic Opportunity  
Emergency Solutions Grant  
2011-2015 Agency Plan**

**Background Information**

The Department of Health and Human Services, Office of Economic Opportunity, formerly known as the State Economic Opportunity Office, was established in 1966 to provide training and technical assistance to Community Action Agencies. In 1981 the Office was assigned the responsibility of administering the federal Community Services Block Grant Programs. Since that time, the Office has assumed the responsibility for administering additional programs, including the Emergency Solutions Grants and Weatherization Programs. The Weatherization Program was relocated to the Department of Commerce's Energy Office in 2009. In late 2010, the North Carolina Emergency Shelter Grant was changed to the Emergency Solutions Grant.

**Institutional Structure**

The Office of Economic Opportunity's goal is to help meet the needs of the poor by encouraging local grantees to develop innovative projects which better address the causes, conditions and problems of poverty and to serve as an advocate for low-income families. The North Carolina Emergency Solutions Grant Program anticipates providing more than 12.5 million to local units of government and non-profits for the provision of operation, services, and prevention activities. Five percent of the state's allocation is retained by the Office of Economic Opportunity for program administration while 95% is allocated to local units of government and non-profits for the activities including operations, services, and prevention.

**Monitoring**

Recipients of the NC Emergency Solutions Grant adhere to the program policies, procedures and requirements outlined in the contractual agreement between agencies. Further programmatic guidance is outlined in the Pre-Application for Funding and Application for Funding. Grantees certify that they will comply with all applicable federal and state laws, regulations, fiscal and programmatic requirements

Staff for the Emergency Solutions Grant will provide on-site monitoring of a minimum of 10% of grantees each fiscal year. Grantees will also be monitored by monthly review of reimbursement reports, contact via electronic mail and telephone to ensure fiscal and programmatic compliance.

**Housing Opportunities for Persons with AIDS  
HOPWA  
2011-2015 Agency Plan**

Housing Opportunities for Persons with AIDS  
HOPWA  
2011-2015 Agency Plan

**Background Information**

The Housing Opportunities for Persons with AIDS (HOPWA) Program was established by the US Department of Housing and Urban Development (HUD) to address the specific housing needs of persons living with HIV/AIDS and their families. Since the beginning of the HOPWA program in 1992, the Federal government has made available over \$2.3 billion HOPWA funds to support community efforts to create and operate HIV/AIDS housing initiatives.

The HOPWA formula grant was first funded for the State of North Carolina in 1992 and served the entire state until 1998. In that year, Charlotte and Raleigh became eligible for a HOPWA formula allocation and the State's area was reduced as a result of these two MSAs. Clients living in Currituck county are served by the Virginia Beach, Virginia MSA. The state's HOPWA program serves people living with HIV/AIDS and their families that are outside of these metropolitan areas. The HOPWA program covers 91 of the 100 counties in NC.

**Institutional Structure**

The AIDS Care Unit (ACU) administers the HOPWA Formula Grant. This Unit is within the NC Department of Health and Human Services, Division of Public Health, Epidemiology Section, Communicable Disease Branch. The mission of the Branch is to reduce and eventually eliminate morbidity and mortality due to sexually transmitted diseases (syphilis, gonorrhea and Chlamydia), Human Immunodeficiency Virus (HIV) and Acquired Immune Deficiency Syndrome (AIDS), and to assure that an up-to-date continuum of care services are available to all HIV-infected individuals residing in North Carolina.

**Strength and Gaps in Service Delivery**

The ACU views its staff and funded agencies as strengths to a successful HOPWA program. Staff is familiar with the systematic process of program administration as it relates to sub-recipient monitoring, budgeting, and rules and regulations. In addition, the Unit has alternative sources of funding to support the HOPWA program, if necessary, through collaborations with the Ryan White Part B Program.

The ACU recognizes as a weakness the lack of funding needed to respond to needs of the target population. There is currently a waiting list for tenant-base rental assistance. Also, the HOPWA 7% cap on administrative costs is too low. It is difficult for funded agencies to meet their increasing administrative burden.

### **Eligible Activities**

Tenant based rental assistance (TBRA) is an on going monthly rental subsidy that will pay the difference between Fair Market Rent and the tenant's contribution towards the rent. Tenant based rental assistance is tied to the tenant and may be used with private landlords. This program is less stringent than Section 8 guidelines and Housing Quality Standards apply. Income Verification is required annually. Clients can enter the program with no income.

Short-term rent, mortgage, and utility (STRMU) payments are used to help prevent a client from becoming homeless. STRMU cannot be used to pay first month rent or security deposits. Assistance is limited to 21 weeks in a 52 week period. Assistance must be paid to a third party (e.g., mortgage, landlord, utility company). The amount of assistance may vary depending on funds available, tenant needs, and program guidelines. A cap per client has been established by most of the Patient Management Model Networks of Care and is usually equivalent to two monthly rent payments.

Operating Costs are funds used to support facility-based housing such as family care homes. These funds can be used for maintenance, equipment, upgrading appliances, insurance, utilities, rent, supplies and incidental expenses such as repairs. The funding allocated for this activity will be decreased beginning in 2011.

Supportive Services funded through this activity include mental health and substance abuse assessments, case management or housing advocacy to develop and help clients maintain a housing care plan and to help clients secure government benefits. Other eligible services include assisting clients with rental applications and other forms associated with housing and housing related services.

Housing Information services include compiling and updating regional housing directories, a listing of referral services to assist an eligible person to locate, acquire, help finance, and maintain stable housing. Funds can also be used for fair housing counseling for eligible persons who may encounter discrimination on the basis of race, color, religion, sex, age, national origin, familial status, or handicap.

Resource Identification funds are used to help regions establish, coordinate, and develop relationships with landlords and other housing organizations to secure affordable rental units.

### **Monitoring**

The AIDS Care Unit (ACU) is required by the Division of Public Health to monitor the programmatic and fiscal responsibilities of all HOPWA project sponsors. The scope of work of

each Sponsor's contract outlines the performance monitoring measures for HOPWA Project Sponsors. This includes the following:

Ensure that HOPWA funds are used to leverage other housing related programs including, but not limited to, Section 811, HOME Investment Funds, Ryan White and all other types of public and private assistance.

Ensure that under totally favorable conditions, housing may be made available within two weeks.

Ensure that clients receiving HOPWA services have access to a case manager and a housing care plan.

Ensure that clients have a copy of the Grievance Policy.

Indicate a willingness to actively collaborate with community-based organizations, AIDS Service Organizations, and other community agencies to establish a referral network.

Spend no more than 7% of total HOPWA expenditures on administration and shall submit documentation of the amount of its funding spent on administrative activities to the ACU with each monthly reimbursement request.

Submit expenditure reports within 30 days after the month of service in order for the HOPWA Program to be adequately monitored and funds efficiently utilized. Reports to be submitted monthly include the following: a detailed monthly expenditure report and the Contract Expenditure Report (CER) for the relevant month of service documenting HOPWA expenditures. The Contractor shall assure each month that the total HOPWA federal expenditure on the monthly CER matches the total on the Contractor's detailed expenditure report.

Be responsible for monitoring its subcontractors.

Provide to the ACU any additional data and information needed to meet HOPWA reporting requirements.

Attend mandatory meetings sponsored by the ACU, including quarterly Network Meetings.

Submit Consolidated Annual Performance and Evaluation Reports (CAPER) and Demographic Reports detailing HOPWA activities. This information must be submitted to the HOPWA Administrator for submission to HUD as part of the State's HOPWA Integrated Disbursement Information System (IDIS) reporting requirements.

Submission of quarterly program reports to the ACU detailing qualitative and quantitative activities.

# **NORTH CAROLINA HOUSING MARKET** **ANALYSIS**

## INTRODUCTION

The following Housing Market Analysis is divided into four sections. These sections closely adhere to the Consolidated Plan Regulation that can be found at 24 CFR 91.310, “Housing Market Analysis”. Each subsection is labeled and states the applicable portion of the regulation. The state has endeavored to provide accurate and sufficient data to respond to each subsection.

## GENERAL CHARACTERISTICS

### 24 CFR 91.310(a) General Characteristics

*“Describe significant characteristics of the State’s housing markets (including such aspects as the supply, demand, and condition and cost of housing).”*

North Carolina is a growing and changing state. As of 2007, the state population was approximately 9 million; a 16% increase from the 2000 census. Approximately 1 million new people migrated to North Carolina or were born in North Carolina in the previous seven years. This was one of the largest population gains in the country, according to the NC Justice Center.<sup>27</sup> The state population also became more diverse from 2000 to 2007. The White population decreased from 71% of the population to 67%. The African American population experienced a slight increase from 20% of the population to 21%. The Hispanic population also increased from 5% of the population to 7%.<sup>28</sup>

Additionally, North Carolina experienced significant growth in its population aged sixty-five years and older. In 2000, North Carolina had almost 700,000 persons over 65 years of age; in 2007, North Carolina had approximately 1.1 million persons over 65 years of age, which was a 60% increase. In 2007 persons over 65 years of age were 12% of the population, up from 8% in 2000. Single parent families grew as well, increasing from 520,000 households to 600,000 households, a 15% growth.

North Carolina is facing a growing poverty rate. Approximately 12.2% of the population was living below the poverty level in 2000; whereas in 2007, 14.3% of the population was living below the poverty level. North Carolina will face challenges in its future with a diversifying and aging population as well as shifting family dynamics and a tough economy. All of these challenges impact North Carolina’s housing market.<sup>29</sup>

### Foreclosures in North Carolina

In addition to general population changes, the foreclosure crisis is another significant change and challenge. Data from the North Carolina Administrative Office of the Courts show that between January 2005 and August 2008, there had been approximately 175,000 foreclosures starts in North Carolina, which was 8.1% of owner-occupied housing units (2000 estimates). In some counties, the problem was more pronounced. Mecklenburg and Dare Counties had 16% of the owner-occupied housing units start the foreclosure process, and in Franklin County 14% of owner-occupied housing units had been affected between 2005 and 2008.<sup>30</sup> All metro areas were at increased risk for growth in home foreclosures in 2008, and an article published in the January 2009 Triangle Business Journal claimed that North Carolina

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<sup>27</sup> BTC Brief. August 2008. NC Justice Center.

<sup>28</sup> Tables P002, P003, US Census 2000 and Demographic 1 Year Estimates American Community Survey 2007.

<sup>29</sup> Tables P023, P029, P87 US Census 2000 and Demographic and Economic 1 Year Estimates American Community Survey 2007.

<sup>30</sup> NC Administrative Office of the Courts. [www.ncforeclosurehelp.org](http://www.ncforeclosurehelp.org)



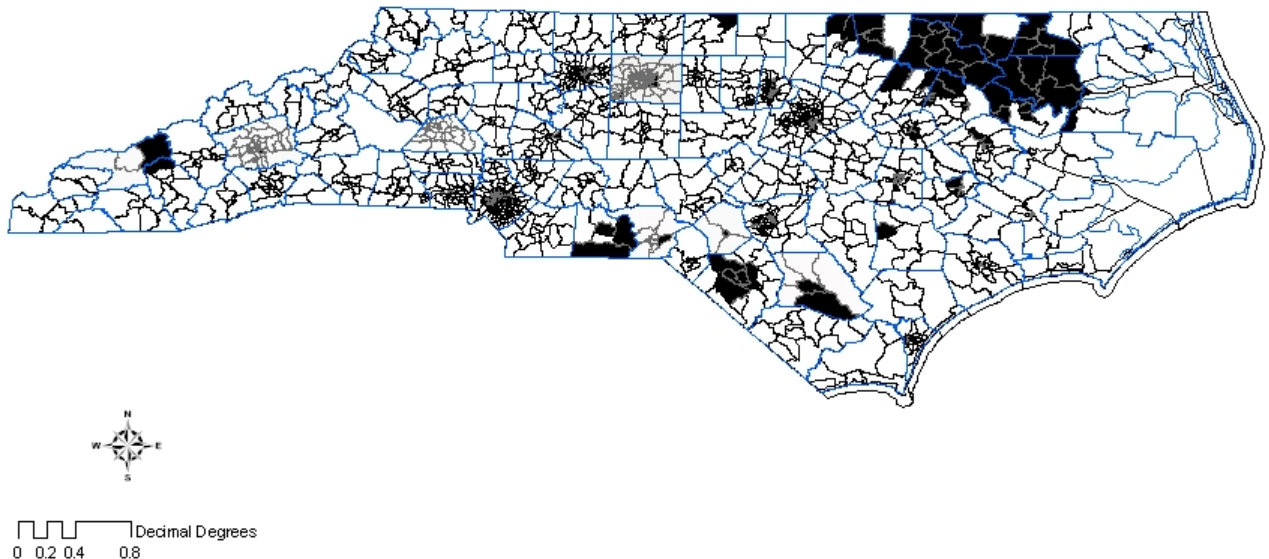
had experienced a 9% increase in 2008 over 2007.<sup>31</sup> Furthermore, unsold single family inventory was up 32% in December 2007 over December 2006. The Center for Responsible Lending projects over 53,000 homes will be lost to foreclosure in 2008 which means over 330,000 additional homes will likely experience a decline in their property values because of nearby foreclosures.<sup>32</sup>

### Credit Crunch in North Carolina

While homebuyers are seeing lower home prices in many areas, the financing of home purchases has become more challenging. According to MarketWatch, lenders are requiring larger down payments and higher credit scores. This trend will have a significant impact on first-time homebuyers. Forty-five percent of first-time homebuyers between July 2006 and June 2007 chose 100% financing, and the median percentage financed was 98%.<sup>33</sup> The minimum credit score that most first-time buyers will need is between 660 and 680 as well as a down payment of at least 3%. Underwriting is also becoming stricter which will also make it more challenging for first-time homebuyers to actually become homeowners.<sup>34</sup> These challenges in the market have increased the attractiveness of FHA loans as well as downpayment assistance programs.<sup>35</sup>

### Areas of Minority Concentration<sup>36</sup>

The state of North Carolina has defined an area of minority concentration as any census tract where fifty percent or more of the population were of the same ethnicity in 2000.<sup>37</sup> Census tracts colored lack meet this definition.



<sup>31</sup> Pearce, Mark. "Rising Foreclosures in North Carolina" House Select Committee on Rising Home Foreclosures. January 23, 2008.

<sup>32</sup> Center for Responsible Lending

<sup>33</sup> Hoak, Amy. "100% More Difficult." MarketWatch. March 9, 2008.

<sup>34</sup> Ibid.

<sup>35</sup> Ibid.

<sup>36</sup> Data from the 2000 U.S. Census Tables P6 and P7. More recent Census data was not available for all 100 counties.

<sup>37</sup> Race data at the tract level is not available after 2000.

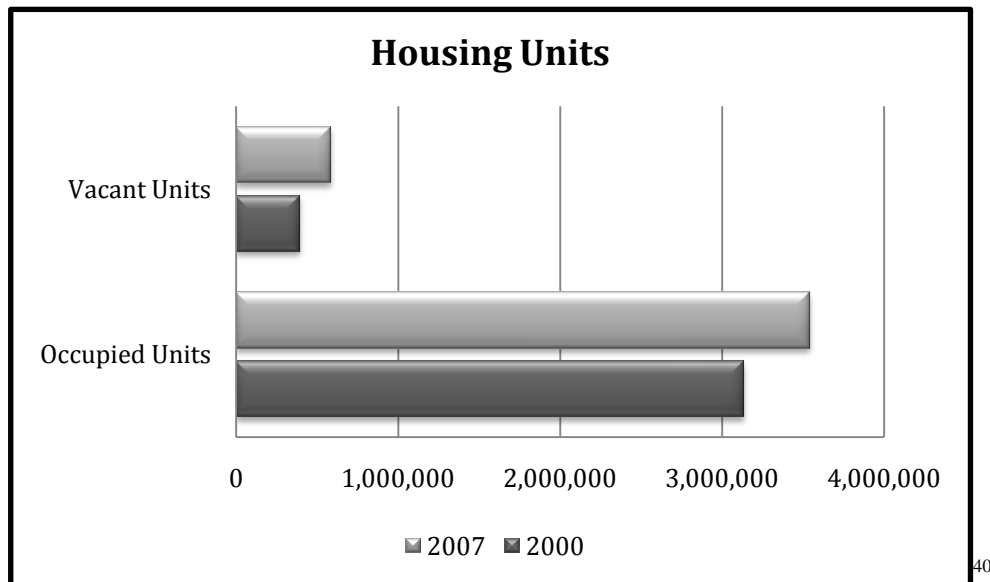
## SUPPLY

North Carolina's changing and growing population combined with the foreclosure crisis makes it essential to understand the composition, cost, and condition of North Carolina's housing market.

### Housing Occupancy

The charts below show in 2007 there were approximately 4 million housing units with about 3.5 million occupied units and nearly 600,000 vacant units in the state. This is an increase from 2000, when North Carolina had approximately 3.5 million housing units, 3.1 million occupied units and almost 400,000 vacant units.<sup>38</sup>

Housing Units <sup>39</sup>	2000	2007	Absolute Change	Percent Change
Total Units	3,523,944	4,124,066	600,122	17%
Occupied Units	3,132,013	3,540,875	408,862	13%
Occupied Units (as % of housing stock)	88.9%	85.9%		-3%
Vacant Units	391,931	583,191	191,260	48.7%
Vacant Units (as % of housing stock)	11.1%	14.1%		3%



Further examination of the data shows that North Carolina had approximately 2.4 million owner-occupied units and about 1.1 million renter-occupied units in 2007. This compares to 2.1 million owner-occupied units and almost 1 million renter-occupied units in 2000. In 2007, North Carolina ranked 33<sup>rd</sup> in the nation for percent of occupied housing that is owner-occupied.<sup>41</sup>

<sup>38</sup> Table H3 US Census 2000 and Housing 1 Year Estimates American Community Survey 2007

<sup>39</sup> Ibid.

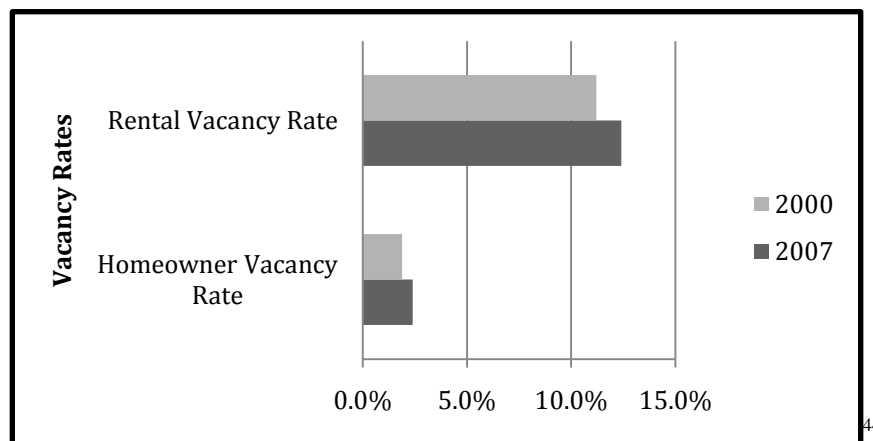
<sup>40</sup> Table H3 US Census 2000 and Housing 1 Year Estimates American Community Survey 2007

<sup>41</sup> Table H4 U.S. Census 2000 and Housing 1 Year Estimates American Community Survey 2007

Housing Units <sup>42</sup>	2000	2007
Occupied Units	3,132,013	3,540,875
Owner-Occupied	2,172,355	2,418,252
Owner-Occupied	69.4%	68.3%
Renter-Occupied	959,658	1,122,623
Renter Occupied	30.6%	31.7%

## Vacancy Rates

The 2007 data showed that North Carolina experienced a homeowner vacancy rate of 2.4%; the 2000 homeowner vacancy rate was 1.9%. The rental vacancy rate experienced a similar trend, with 12.4% of rental housing units vacant in 2007 and 11.2% vacant in 2000.<sup>43</sup>



Studying the composition of vacant units is also important. For example, while the number of seasonal and recreational vacant units increased, the percentage compared to the total vacant units decreased to 29.5% from 34% in 2000. This trend was also true for the percent of vacant units for rent, vacant units for sale, and vacant rented or sold units. The percentage of vacant other units experienced both a significant numerical and percentage increase.<sup>45</sup> Essentially, the composition of vacant units changed slightly for each category of vacant units over the seven year period 2000-2007, but the important exception to note is that the percentage of vacant other units increased by 11%.

Percentage of Vacant Housing Units <sup>46</sup>	2000	2007
% Vacant Units For Rent	23.7	19.9
% Vacant Units For Sale	11.2	10.7
% Vacant Units Rented or Sold	6.8	5.7
% Vacant Seasonal and Recreational Units	34.4	29.5
% Vacant Migrant Workers Units	0.5	0.3
% Vacant Other Units	23.0	34.0

<sup>42</sup> Ibid.

<sup>43</sup> Ibid.

<sup>44</sup> Ibid.

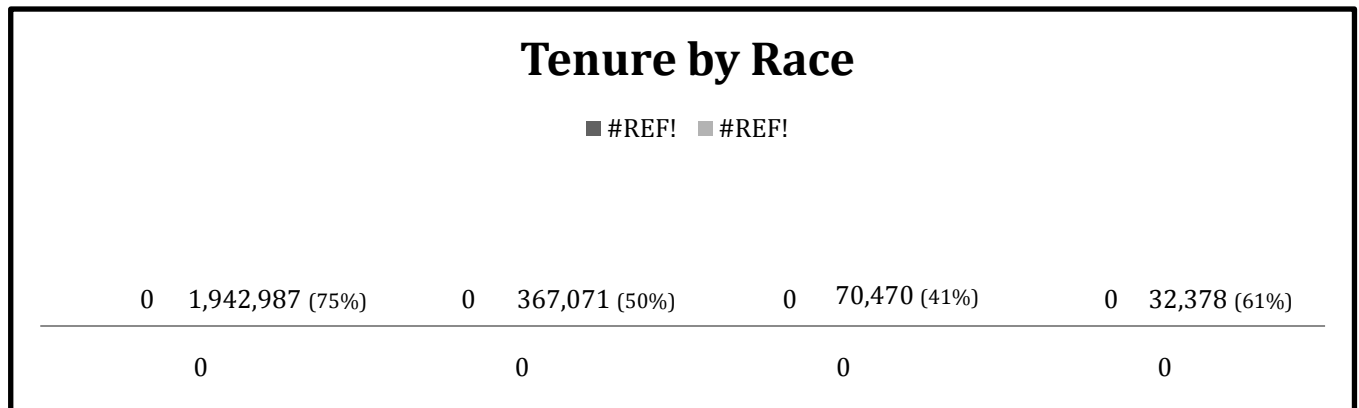
<sup>45</sup> Table H5 U.S. Census 2000 and Table B25004 American Community Survey 2007.

<sup>46</sup> Ibid.

## Homeownership Rates

North Carolina experienced a very slight decrease in total homeownership from 2000 to 2007 as the chart below illustrates. In 2007, 75.8% of White households were homeowners, 49.8% of Black households were homeowners, 35.8% of Hispanic households were homeowners, and 62.1% of Asian households were homeowners.<sup>47</sup>

2000      2007  
**Homeownership Rate**<sup>48</sup>    71.1%    70.3%



49

## Type of Housing Unit

The majority of housing units in North Carolina are one-unit detached structures (2.7 million or 65.3% of all units). The unit number and percent breakdown for attached structures can be viewed in the chart below. Additionally, almost 600,000 (15%) of all housing units are manufactured housing units. North Carolina ranks 7<sup>th</sup> in the nation for percent of housing units that are manufactured.<sup>50</sup>

Types of Housing Units-Units in Structure <sup>51</sup>	2000	2007	Percent Change	Percent of Total Units in 2000	Percent of Total Units in 2007
<b>Total Housing Units</b>	3,523,944	4,124,066	17%		
<b>1 Unit Detached</b>	2,267,890	2,691,388	18.6%	64%	65%
<b>1 Unit Attached</b>	106,066	143,336	35.1%	3%	3%
<b>2 Units</b>	88,507	99,715	12.6%	3%	2%
<b>3-4 Units</b>	114,188	112,296	-1.7%	3%	3%
<b>5-9 Units</b>	151,649	183,149	20.7%	4%	4%
<b>10-19 Units</b>	111,985	159,102	42.1%	3%	4%
<b>20+ Units</b>	100,469	134,258	33.6%	3%	3%
<b>Manufactured Housing</b>	577,323	598,942	3.7%	16%	15%

<sup>47</sup> American Community Survey 2007 Tables B25003A, B, D, I.

<sup>48</sup> Housing Vacancies and Homeownership Survey 2007 US Census.

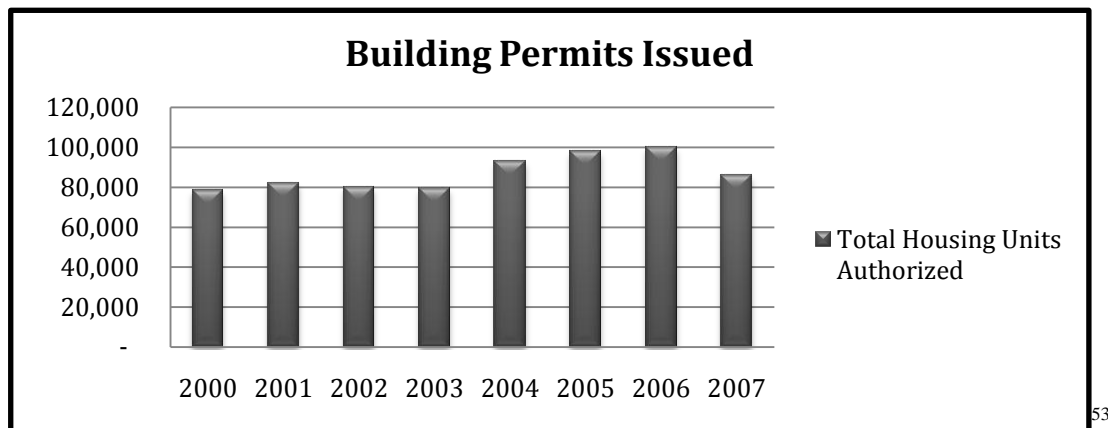
<sup>49</sup> American Community Survey 2007 Tables B25003A, B, D, I.

<sup>50</sup> Housing Vacancies and Homeownership Survey. US Census 2007.

<sup>51</sup> Table H30 US Census 2000 and Housing 1 Year Estimates American Community Survey 2007.

## Housing Production

The following graphic illustrates that while more privately owned housing units were issued building permits in 2007 (85,777) than in 2000 (78,376), North Carolina had actually experienced variation in building permit issuance during this timeframe. The issuance peaked in 2006 at almost 100,000 before decreasing to 85,777 in 2007.<sup>52</sup>

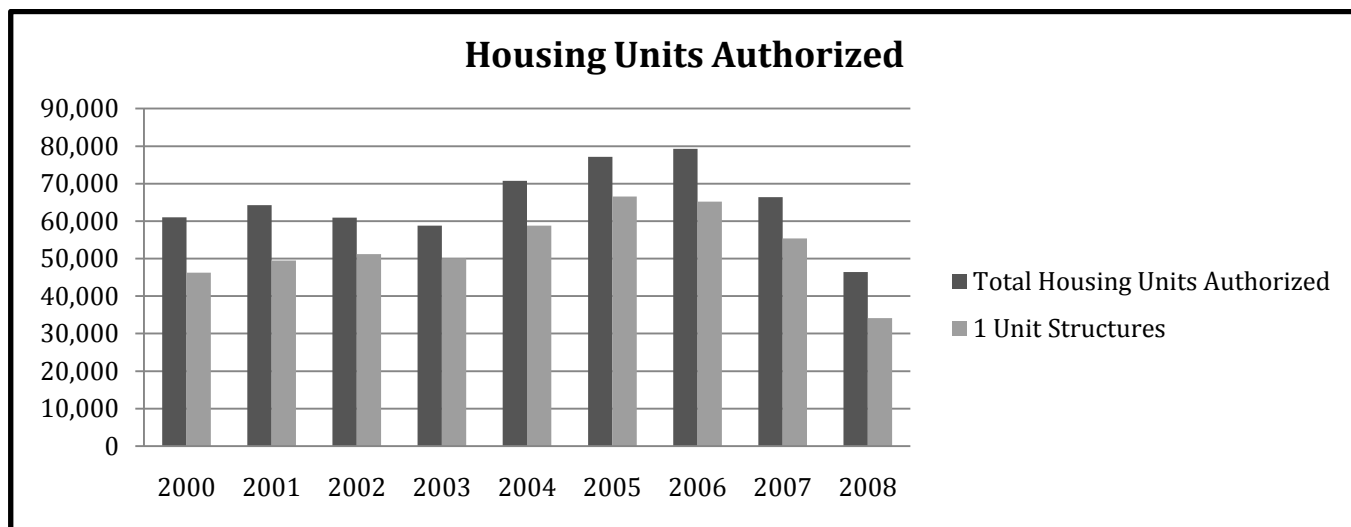


In the above section titled “Type of Housing Unit”, it was stated that the majority of housing units in North Carolina are one unit detached units. Additionally, our research shows that North Carolina local governments are predominantly issuing building permits for one unit detached units. U.S. Census Manufacturing, Mining, and Construction Statistics data shows that the percentage of permits issued for one unit structures (which are typically single-family units) year to date through September 2008 decreased 9.9% from year to date numbers in September 2007. In the current economic crisis, this new housing trend is expected to continue.<sup>54</sup>

<sup>52</sup> U.S. Census. Manufacturing, Mining, and Construction Statistics 2007. Table 2u. New Privately Owned Housing Units Authorized.

<sup>53</sup> Ibid.

<sup>54</sup> Report Prepared in December 2008.



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## DEMAND

### Housing Market

North Carolina has experienced population growth since 2000, as discussed above. Total households increased by 13% to 3.5 million in 2007. The number of owner households increased by 11 % to 2.4 million from 2000 to 2007, and the number of renter households increased by 17% to 1.1 million.<sup>56</sup>

Household Growth <sup>57</sup>	2000	2007
Total Households	3,133,282	3,540,875
Owner Households	2,172,355	2,418,252
Renter households	959,658	1,122,623

Housing Units <sup>58</sup>	2000	2007
Total	3,523,944	4,124,066
Owner	2,216,362	2,498,842
Renter	1,052,551	1,253,883

The number of housing units in North Carolina also increased from 2000 to 2007 by 17% up to 4.1 million. Similarly owner and renter unit increased. Owner units had grown by almost 13% to approximately 2.5 million units; renter units had grown by 19% to 1.25 million units.<sup>59</sup>

<sup>55</sup> U.S. Census. Manufacturing, Mining, and Construction Statistics 2007. Table 2u. New Privately Owned Housing Units Authorized. Note: All data in this graph as of September of each year, year to date numbers

<sup>56</sup> Table H4 U.S. Census 2000 and Housing 1 Year Estimates American Community Survey 2007.

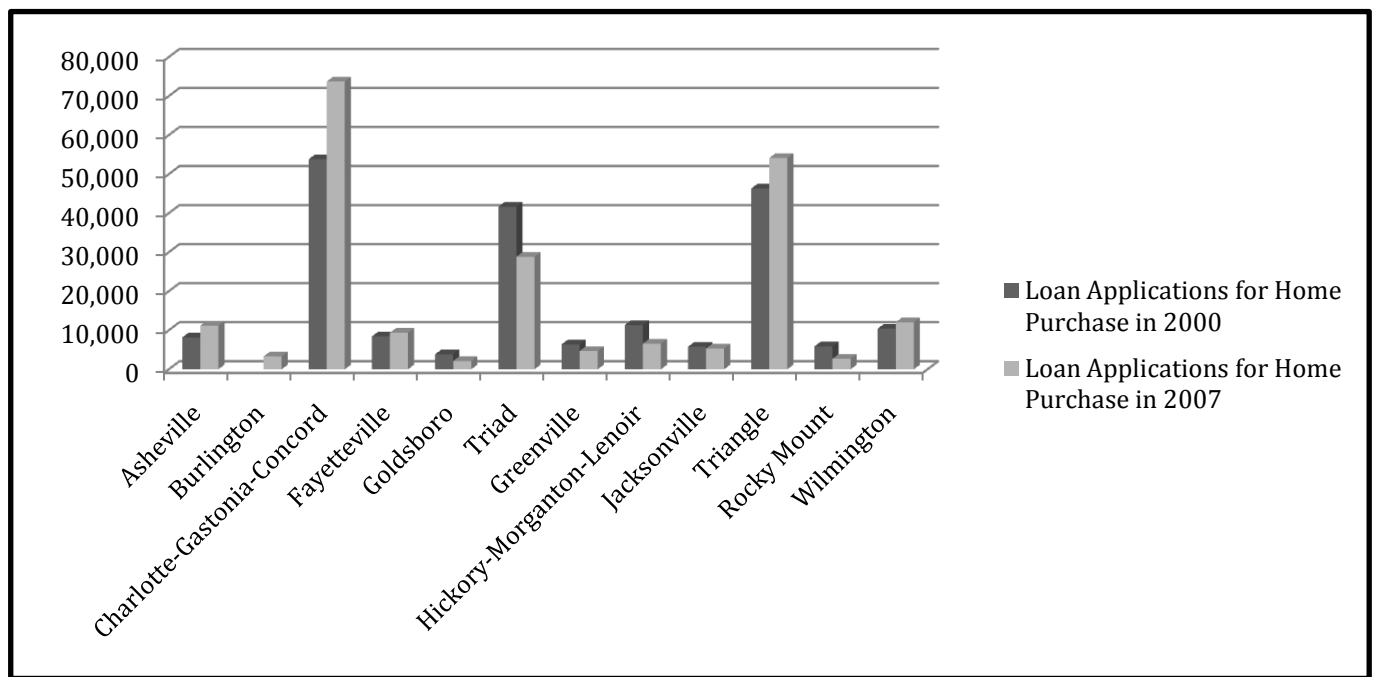
<sup>57</sup> Ibid.

<sup>58</sup> Tables H4 and H5 U.S. Census 2000 and Housing 1 Year Estimates American Community Survey 2007.

<sup>59</sup> Ibid.

## Loan Application Data

The number of loan applications for home purchase increased in every MSA in North Carolina since 2003. The greatest percentage of loan applications was in the Charlotte MSA and Triangle regions.<sup>60</sup>



61

\*Burlington was not an MSA in 2000.

\*Charlotte-Gastonia-Concord MSA did not include Concord in 2000.

\*Hickory-Morganton-Lenoir MSA did not include Lenoir in 2000.

## Owner-Occupied Housing

Existing home sales increased significantly between 2000 and 2007 by almost 82%; however, existing home sales decreased 8% from 2005 to 2007.<sup>62</sup>

Production <sup>63</sup>	2000	2005	2006	2007
Existing Home Sales	69,177	135,758	133,588	125,896

## Manufactured Housing

Shipments of new manufactured homes to North Carolina were significantly reduced in 2007 by almost 15,000 units from the 2000 shipment levels, which is a 77% decrease. Manufactured Home Production in North Carolina experienced a similar decrease from 20,000 units in 2000 to 4,000 units in 2007, an 80% decrease. These trends are possibly contributing to increased demand since the supply is low.<sup>64</sup>

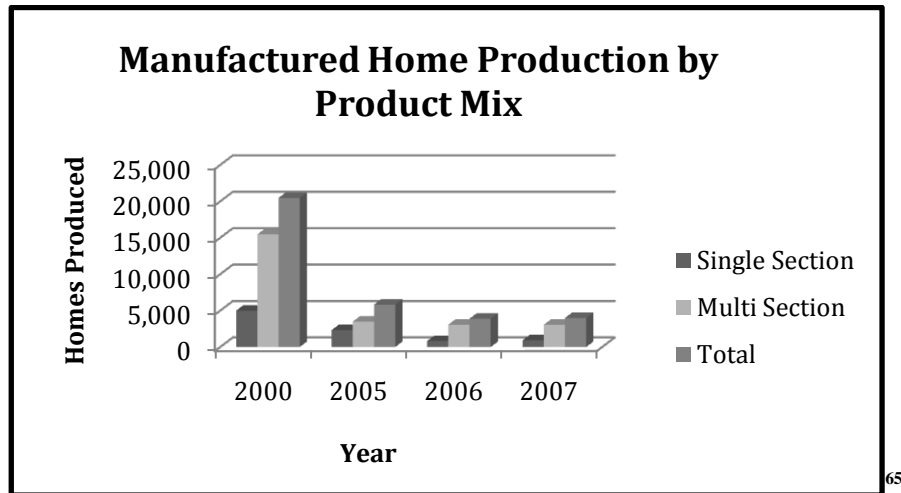
<sup>60</sup> Home Mortgage Disclosure Act. Aggregate Report. FFIEC. <http://www.ffiec.gov/hmda/>

<sup>61</sup> Ibid.

<sup>62</sup> NC Association of Realtors based on 20 reporting areas in North Carolina. Data from 2001-2004 is not shown because existing home sales steadily increased over those years. The 2000 data is a baseline to show the size of the increase, until the decline began in 2005.

<sup>63</sup> Ibid.

<sup>64</sup> Manufactured Housing Institute. Industry Statistics. [http://www.manufacturedhousing.org/lib/showtemp\\_detail.asp?id=308&cat=statistics](http://www.manufacturedhousing.org/lib/showtemp_detail.asp?id=308&cat=statistics)



## CONDITION

In North Carolina, 1.5 million housing units were built between 1990 and 2008, which is 38% of the total housing units in North Carolina, and 33% of the state's housing stock was built between 1970 and 1990. Less than 30% of the state's housing stock was built prior to 1960. This data reveals that North Carolina has a relatively newer housing stock; however lead paint could be an issue for the units built prior to 1978.<sup>66</sup>

Year Housing Units Built	Number of Units	Percent of Total Units
Built 2005 or later	173,677	4.2%
Built 2000 to 2004	524,668	12.7%
Built 1990 to 1999	874,949	21.2%
Built 1980 to 1989	719,518	17.4%
Built 1970 to 1979	643,546	15.6%
Built 1960 to 1969	418,057	10.1%
Built 1950 to 1959	335,449	8.1%
Built 1940 to 1949	175,556	4.3%
Built 1939 or earlier	258,646	6.3%
Total housing units	4,124,066	100%

<sup>65</sup> Ibid.

<sup>66</sup>Table H34 US Census 2000 and Housing 1 Year Estimates American Community Survey 2007

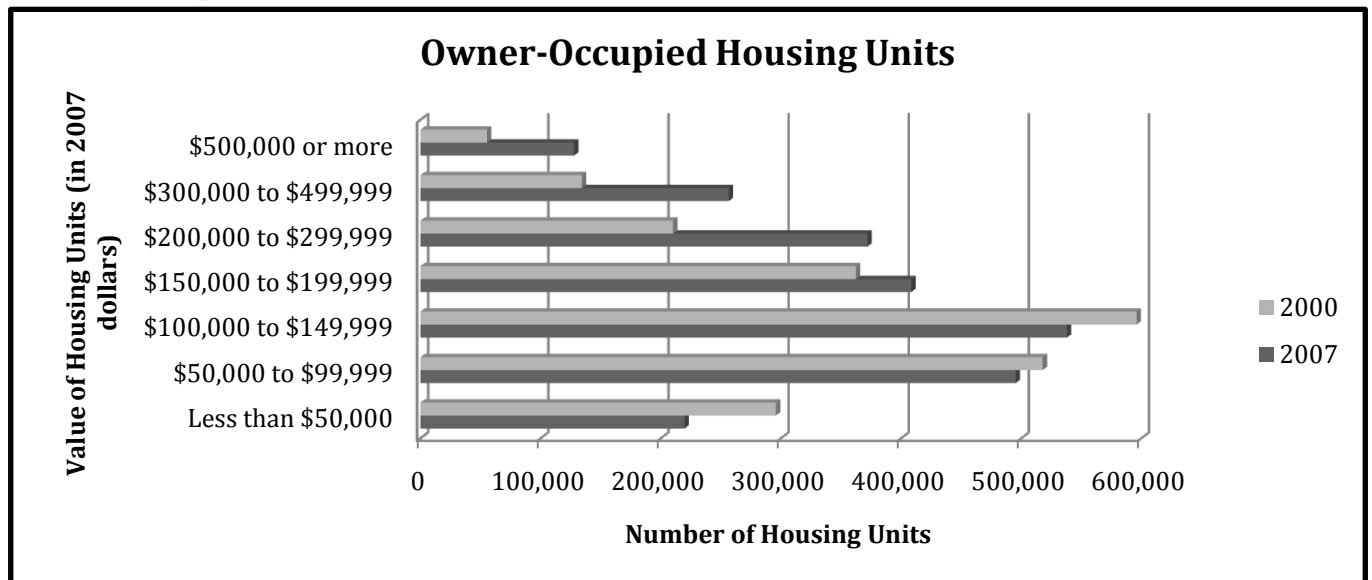


The number of housing units in North Carolina lacking plumbing facilities and lacking kitchen facilities has drastically decreased; the number of units lacking kitchen facilities decreased by 21,700 and the number of units lacking plumbing facilities decreased by 25,000 between 2000 and 2007.<sup>67</sup>

Housing Condition <sup>68</sup>	2000	2007	Percent Change
Total Occupied Units	3,132,013	3,540,875	.48%
Units Lacking Plumbing Facilities	37,118	11,636	-68.7%
Units Lacking Kitchen Facilities	37,754	16,022	-58%

## COST

### Owner-Occupied Units



<sup>69</sup>

North Carolina had approximately 2.4 million owner-occupied housing units in 2007 with 9.1% valued at less than \$50,000; 20.5% were valued between \$50,000 and \$99,999. Furthermore, 70.4% of North Carolina's owner-occupied housing stock was valued at more than \$100,000.<sup>70</sup>

By contrast, in 2000, North Carolina had approximately 2.1 million owner-occupied housing units with 14% valued at less than \$50,000; 24% of units were valued between \$50,000 and \$99,999.

Approximately 63% of North Carolina's owner-occupied housing stock was valued at more than \$100,000.<sup>71</sup>

<sup>67</sup> Tables H47 and H50 US Census 2000 and Housing 1 Year Estimates American Community Survey 2007.

<sup>68</sup> Ibid.

<sup>69</sup> Ibid. These figures have been adjusted for inflation using the CPI index.

<sup>70</sup> Housing 1 Year Estimates American Community Survey 2007.

<sup>71</sup> Table H34 US Census 2000. These figures have been adjusted for inflation using the CPI index.

The median house value in 2000 was \$119,211.<sup>72</sup> The median house value for 2007 was \$145,700 which was a 52% increase from 2000 to 2007.<sup>73</sup>

	2000 (in 2007 dollars)	2007	Percent Change
<b>Median House Value<sup>74</sup></b>	\$119,211	\$145,700	22%

The average cost of homes sold in North Carolina slightly increased during the period of 2000 to 2007 by 1.5%, when adjusted for inflation. The average cost was stable during 2006 and 2007. Prices have yet to respond to the decline in home sales that started in 2006.<sup>75</sup>

Existing Home Sales	2000(in 2007 dollars)	2007
<b>Average Cost</b>	\$211,521	\$214,634

Manufactured housing data is not included in the above table. Similar to existing homes, the average sales price of new manufactured homes placed in North Carolina steadily increased since 2000 from \$58,734 (in 2007 dollars) to \$73,500 in 2007.

## Renter-Occupied Units

Fair Market Rent (FMR) has increased 23% since 2000. Fair Market Rent is defined by HUD and is an estimate of the amount generally needed to rent a moderately-priced dwelling unit in the local housing market.<sup>76</sup> During 2007-2008, the FMR for a 2 Bedroom (BR) apartment was \$681 and an annual income of \$27,000 was necessary in order for that FMR unit to be affordable. This is based on an assumption that a household should only pay 30% of their income towards housing costs. The housing wage that makes the 2BR FMR apartment affordable was \$13 per hour and the minimum wage was \$6.15 an hour in 2007. During 2007 an estimated 44% of renters in North Carolina could not afford a 2BR unit at FMR.<sup>77</sup> North Carolina also has subsidized rental housing units. Various HUD programs including 221 (d) 3 , 221 (d)4, Section 202, Section 236(j), USDA 515, and public housing all provide housing at a subsidized rate; however, there is not enough supply to meet the demand for affordable rental housing.

<sup>72</sup> U.S. Census 2000 Tables H84 and H85. These figures have been adjusted for inflation using the CPI index.

<sup>73</sup> Housing 1 Year Estimates American Community Survey 2007.

<sup>74</sup> Ibid. These figures have been adjusted for inflation using the CPI index.

<sup>75</sup> NC Association of Realtors based on 20 reporting areas in North Carolina.

<sup>76</sup> Housing Choice Vouchers Fact Sheet. HUD.

[http://www.hud.gov/offices/pih/programs/hcv/about/fact\\_sheet.cfm](http://www.hud.gov/offices/pih/programs/hcv/about/fact_sheet.cfm)

<sup>77</sup> Out of Reach 2007-2008.National Low Income Housing Coalition.

<https://www.2398.sldomain.com/nlihc/or/or2008/>

<b>Subsidized Rental Housing—Federal Programs</b>	<b>Number of Units</b>
Project Based Section 8 <sup>78</sup>	25,569
Section 202/811 and Section 202/162 <sup>79</sup>	7,241
Section 221(d)(3) <sup>80</sup>	1,071
Section 221(d)(4) <sup>81</sup>	20,113
Section 223(f) <sup>82</sup>	10,879
Section 236(j)(1) <sup>83</sup>	2,719
Public Housing <sup>84</sup>	39,627
USDA, Rural Development <sup>85</sup>	22,455
Housing Choice Vouchers: Number of Families Assisted <sup>86</sup>	52,827
<b><i>Total*</i></b>	<b><i>129,674</i></b>
*Many developments received funding from more than one source.	
**Section 223(f), Section 221(d)(3), and Section 221(d)(4) are often blended with other HUD funding sources not shown here.	
***To account for possible overlap, the Section 8 Voucher data was not included in the total.	

## Public Housing

During the development of the Consolidated Plan, the state received annual plans from public housing authorities in the state. These plans were reviewed and utilized as input in developing the Consolidated Plan. The state particularly noted a general trend toward concepts of family self-sufficiency, individual development accounts, and homeownership programs among the state's public housing authorities. The state of North Carolina does not operate, own, or manage any public housing units. In North Carolina, Public Housing Authorities in the larger suburban and metropolitan areas traditionally own and manage public housing developments.

Public Housing Authorities that are listed as “troubled” or “standard” by Housing and Urban Development are required to submit any plans to state to ensure that it is consistent with the state’s

<sup>78</sup> Center on Budget and Policy Priorities Appendix A Table 1: Federal Programs and the Unmet Need for Low-Income Housing Assistance, by State. Per National Housing Trust from HUD's Multifamily Assistance and Section 8 Contracts Database December 2007.

<sup>79</sup> HUD Insured Multifamily Mortgages Database

<sup>80</sup> Ibid.

<sup>81</sup> Ibid.

<sup>82</sup> Ibid.

<sup>83</sup> Ibid.

<sup>84</sup> <https://pic.hud.gov/pic/haprofiles/haprofilelist.asp>

<sup>85</sup> Center on Budget and Policy Priorities Appendix A Table 1: Federal Programs and the Unmet Need for Low-Income Housing Assistance, by State. Per USDA 2006 Rural development Multifamily Housing Annual Occupancy Report January 2006

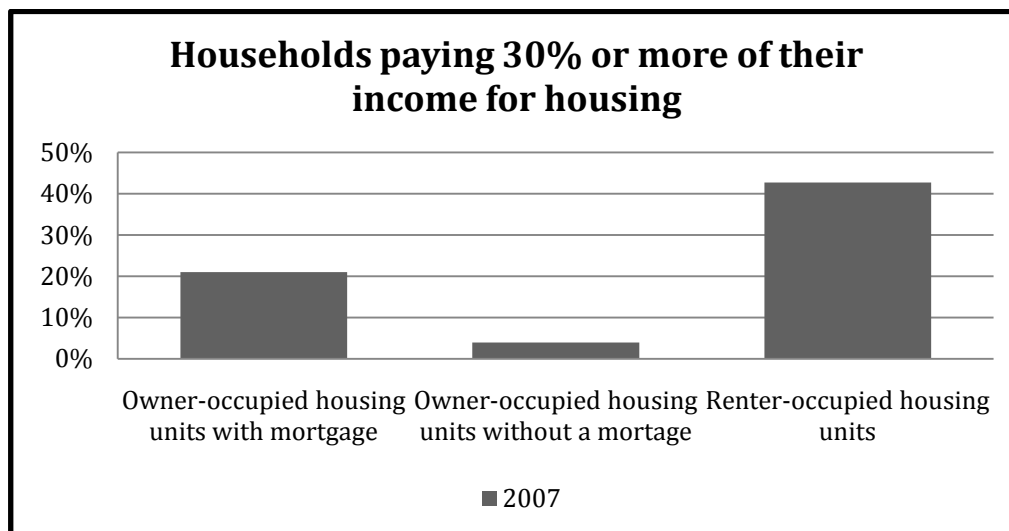
<sup>86</sup> Center on Budget and Policy Priorities Appendix A Table 1: Federal Programs and the Unmet Need for Low-Income Housing Assistance, by State. Average number of vouchers leased per month from January through September 2008. Source is CBPP analysis of data from HUD's Voucher Management System

consolidated plan. As such, the state does not undertake public housing resident management or ownership initiatives. Instead, the regional housing authorities offer resident initiative programs to public housing tenants. To the state's knowledge, there are no outstanding court orders, consent decrees, or HUD sanctions that would either prevent or negatively impact the delivery of affordable housing to low income persons and families or impede implementation of the Consolidated Plan.

Based on Annual Plans from the PHAs approved by HUD for Fiscal Year Beginning 2007 (FYB), there were over 39,000 families waiting for either Section 8 vouchers or public housing availability. Eleven PHAs had to close their Section 8 waiting lists because of the demand.

## Income

	2000 (in 2007 dollars)	2007	Percent Increase
<b>Median household income<sup>87</sup></b>	\$48,351	\$44,500	-8%



As stated previously, a housing unit is considered affordable if the household pays no more than 30% of their income for housing. In 2007, over 40% of renter households that were housing burdened.<sup>88</sup> This shows that renters are more likely to be housing burdened than homeowners.

## HOMELESS FACILITIES

24 CFR 91.310(b) Homeless Facilities

*“The plan must include a brief inventory of facilities and services that meet the needs for emergency shelter and transitional housing needs of homeless persons within the State.”*

<sup>87</sup> US Census 2000 Summary File 3 Table P3 and 2007 American Community Survey S2503 Financial Characteristics. The 2000 median household income was adjusted for inflation using the CPI index.

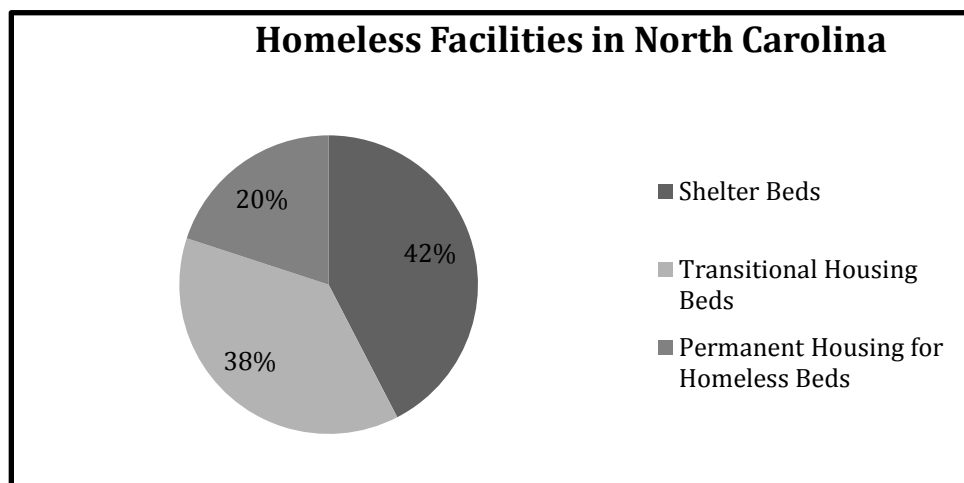
<sup>88</sup> Ibid.

The North Carolina Coalition to End Homelessness compiled a state-wide count of emergency shelters, transitional facilities, and permanent supportive housing. The approximate total count of all three types of facilities is 585. Sixty-two counties have some type of homeless facility and many have multiple types including emergency shelters, transitional and permanent housing. Thirty-eight, mostly rural counties, do not have any type of homeless facility. As of January 2009 North Carolina had 3,925 emergency shelter beds, 4,480 transitional housing beds, and approximately 2300 permanent housing beds for the homeless.

		<b>Current Inventory</b>	<b>Under Development</b>	<b>Unmet Need</b>
<b>Individuals</b>				
	Emergency Shelter	2594		462
<b>Beds</b>	Transitional Housing	2593		630
	Permanent Supportive Housing	1325		1987
	Total	6512		2981
<b>Persons in Families With Children</b>				
	Emergency Shelter	1331		227
<b>Beds</b>	Transitional Housing	1887		217
	Permanent Supportive Housing	1034		907
	Total	4252		1351

\*Based on Statewide Continuum of Care Housing Inventories submitted in 2008

The data for the Housing Gap Analysis Chart was taken from the statewide Continuum of Care (CoC) groups. The CoC's are comprised of various homeless service providers in thirteen different communities and may not always capture the total unmet need in a region. Thus, the numbers may be higher than reported.



<sup>89</sup>Continuum of Care Statewide Housing Inventory 2008

Most emergency shelters and transitional and permanent housing programs offer a variety of services in addition to providing housing. Those services can include career counseling, substance abuse therapy, meals, GED classes, and medical care. These are just examples of services typically available.

## **SPECIAL NEEDS FACILITIES AND SERVICES**

24 CFR 91.310 ( c) Special Needs Facilities and Services

*“The plan must describe, to the extent information is available, the facilities and services that assist persons who are not homeless but who require supportive housing and programs for ensuring that persons returning from mental health and physical health institutions receive appropriate supportive housing.”*

### **Overview**

North Carolina has a significant population in need of access to supports and services to live independently in the community. North Carolina has a growing elderly population and a significant population with special needs. In 2007, 15% of the adult population aged 21-64 reported some kind of disability.<sup>90</sup> This is slightly higher than the national rate of 13%.<sup>91</sup> These rates suggest a need for supportive housing for persons with disabilities and older adults. Through 2007 in North Carolina, approximately 17,000 AIDS cases and 15,400 HIV infections had been reported cumulatively. This includes over 1,024 new cases of AIDS reported in 2007, and as of 2007, there were over 9,129 persons living with AIDS.<sup>92</sup> North Carolina continues to have a need for health services related to HIV and AIDS.

### **Older Adults (Elderly)**

The mission of the North Carolina Division of Aging and Adult Services (DAAS) is to promote independence and enhance the dignity of North Carolina's older adults, persons with disabilities, and their families, through a community-based system of opportunities, services, benefits, and protections; to ready younger generations to enjoy their later years; and to help society and government plan and prepare for the changing demographics.<sup>93</sup>

DAAS provides funding for home improvements, including security enhancements, minor home repairs, mobility and accessibility improvements affecting the home or areas adjacent to the home. In 2007, this service provided 1,592 seniors, aged 60 and older, an opportunity to remain in their home under safer and healthier circumstances, reducing the need for more expensive health care solutions. The number of people listed as waiting for services is 819. DAAS administers programs that serve older adults and helps connect them to needed services like Adult Day Care and Ombudsman programs, and many programs are administered through Area Agencies on Aging (AAA). AAA offices were established through the Older Americans Act and serve to facilitate and support the development of programs to address the needs of older adults in a defined geographic region. In North Carolina, AAAs are located within regional Councils of Government. These AAAs have functions in five basic areas: (1) advocacy; (2) planning; (3) program and resource development; (4) information brokerage; and (5) funds administration and quality assurance.<sup>94</sup> These AAAs have HUD certified counselors on staff and provide

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<sup>90</sup> American Community Survey 2007; US Census 2000; Kaiser State Health Facts 2007

<http://www.statehealthfacts.org/profileind.jsp?cat=11&rgn=35>

<sup>91</sup> Ibid.

<sup>92</sup> Ibid.

<sup>93</sup> NC Division of Aging and Adult Services website. Retrieved on 12/9/2008. <http://www.ncdhhs.gov/aging/>

<sup>94</sup> Ibid.

HECM counseling; nonprofit housing counseling organizations also provide HECM counseling. Over 4,700 households received reverse mortgage counseling in North Carolina in FY 2008, based on HUD data. Approximately 3,600 obtained a Home Equity Conversion Mortgage (HECM) and 260 obtained a non-FHA reverse mortgage. Five hundred households decided not to obtain a HECM.

### **Persons with Mental Illness, Developmental Disabilities, and Substance Use Issues**

The North Carolina Division of Mental Health, Development Disabilities, and Substance Abuse Services provides a large number of health services to consumers in need. For persons with mental illness, treatment, recovery, and support options are available at the community level as well as through state facilities.<sup>95</sup> Persons with mental illness are linked with services in their community through their Local Management Entities (LMEs). LMEs are located across the state and serve the entire state of North Carolina. LMEs are agencies of local government-area authorities or county programs that are responsible for managing, coordinating, facilitating and monitoring the provision of mental health, developmental disabilities and substance abuse services in the catchment area served. LME's responsibilities include offering consumers daily access to services, developing and overseeing providers, and handling consumer complaints and grievances.<sup>96</sup> The Division provides technical assistance to the 28 state funded Housing Specialists and coordinates statewide meetings of the LMEs' Housing Specialists. DMH/DD/SAS maintains collaborative relationships for the purpose of developing housing resources and residential options with linkage to community based supportive services. Persons with mental illness may also be eligible for Medicaid which provides financial support for mental health care services.<sup>97</sup> For persons with substance use issues, the Division offers "services and supports to prevent, treat, reduce, or eliminate substance abuse issues."<sup>98</sup> In addition, the Division contracts with North Carolina Oxford House (NCOH) to provide services to consumers recovering from substance use disorder in a low-cost, peer supportive living environment. Eight Oxford Houses were opened in FY2007-2008, bringing the current total number of NCOH to 120 with a total of 884 beds. There are 92 Oxford Houses for men providing 679 beds; 26 Oxford Houses for women providing an additional 188 beds, and 2 Oxford Houses for women & children providing 17 beds. For persons with developmental disabilities, services are available throughout their lives and the Division offers crisis services, day treatment, employment services, and personal assistance services. North Carolina also has a Community Alternatives Program for Individuals with Mental Retardation/Development Disabilities that provides consumers with even more options and enhances their ability to live in the community of their choice.<sup>99</sup> For persons with developmental disabilities, the state also provides state developmental centers and access to Medicaid funded services.<sup>100</sup>

In addition to these services, the North Carolina Housing Finance Agency and DHHS through the Housing 400 Initiative and Targeting Plans work to provide housing for persons with disabilities. Targeting Plans are a required element of any development under the Low Income Housing Credit program. All projects have to set aside 10% of their total units for persons with disabilities.

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<sup>95</sup> NC Division of Mental Health, Development Disabilities, and Substance Abuse Services.  
<http://www.ncdhhs.gov/mhddsas/statpublications/reports/annualreport07.pdf>

<sup>96</sup> NC Division of Mental Health, Development Disabilities, and Substance Abuse Services.  
<http://www.ncdhhs.gov/mhddsas/lmedirectory.htm#lmelist>

<sup>97</sup> NC Division of Medical Assistance  
<http://www.ncdhhs.gov/dma/medicaid/index.htm>

<sup>98</sup> NC Division of Mental Health, Development Disabilities, and Substance Abuse Services.  
<http://www.ncdhhs.gov/mhddsas/statpublications/reports/annualreport07.pdf>

<sup>99</sup> NC Division of Mental Health, Development Disabilities, and Substance Abuse Services.  
<http://www.ncdhhs.gov/mhddsas/statpublications/reports/annualreport07.pdf>

<sup>100</sup> NC Division of Mental Health, Development Disabilities, and Substance Abuse Services.  
<http://www.ncdhhs.gov/mhddsas/developmentaldisabilities/index.htm>



The North Carolina General Assembly created the Housing 400 Initiative in 2006 to finance independent supportive apartments for persons with disabilities. Units must be affordable to persons living on supplemental security income (SSI). NCHFA develops the rental housing and DHHS provides rent assistance that makes these units affordable. This Initiative has financed almost 900 units of independent supportive housing for persons with disabilities. Because of the current economic and state budget crisis, this Initiative may be discontinued because of a lack of funding.

### **Persons with Physical Disabilities**

The North Carolina Division of Vocational Rehabilitation Services offers “counseling, training, education, medical, transportation, and other support services” to persons with physical and/or mental disabilities to enable them to live more independently.<sup>101</sup> The Division of Vocational Rehabilitation, with 15 offices statewide, mostly provides employment services and/or Independent Living Services, which provide consumers with alternatives to institutionalization as well as greater support services.<sup>102</sup> In 2007, 5,164 consumers were served by the Division of VR through its home modification program; 2,476 consumers received services; 2,066 independent living plans of services were completed; 388 individuals transitioned out of nursing homes or were able to avoid going into a nursing home; 366 individuals received personal assistance services to assist in being able to remain in their homes.

In addition, the Division of VR manages Displacement Prevention Program (DPP) in partnership with NCHFA to provide accessibility modifications to assist low and very low income homeowners in preventing the imminent displacement of a household member with mobility limitations. Since 2002, more than 650 households have been served.

### **Persons with HIV/AIDS**

The Housing Opportunities for Persons with Aids (HOPWA) program was first funded for the state of North Carolina in 1992. It is administered by the AIDS Care Unit which is part of the Communicable Disease Branch in the Division of Public Health. It served the entire state until 1998 when Charlotte and Raleigh became eligible for a HOPWA formula allocation and the state’s service area was reduced. Charlotte serves five counties, and Raleigh serves 3 counties. Since 1998, the state’s grant serves people living with HIV/AIDS and their families who are outside of those metropolitan areas; this covers 92 of the 100 counties in NC. HOPWA provides a variety of services including tenant based rental assistance (TBRA); short-term rent, mortgage, and utility payments (STRMU); operating cost funds; supportive services funds; resource identification funds; and housing information services. The Ryan White program serves persons with HIV/AIDS in need of medical care.

In the past, HOPWA funded consortia that provided HOPWA services to regions. The federal Health Resources and Services Administration (HRSA) recently decided to discontinue the funding of consortia. Because of this change, HOPWA is changing to a patient management model and will be funding regional networks of care. The request for applications (RFA) is anticipated to be in July 2009. The various parties in each region are meeting, including medical, dental, and housing professionals as well as case managers, to make decisions about the needs of that region and inform HOPWA of those needs. The state continues to provide technical assistance and training to the regions.

According to the NC Epidemiologic Profile for HIV/STD Prevention and Care in October 2008, an estimated 33,000 people were living with HIV or AIDS in North Carolina (including individuals who may have been unaware of their infection) as of December 31, 2007. In 2007, 1,943 new individuals were reported with HIV disease (HIV/AIDS) in the state. Over recent years, North Carolina has averaged

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<sup>101</sup> NC Division of Vocational Rehabilitation  
<http://dvr.dhhs.state.nc.us/DVR/highlights.htm>

<sup>102</sup> NC Division of Vocational Rehabilitation  
<http://dvr.dhhs.state.nc.us/DVR/faqs/ilfaqs.htm>



over 1,900 new reports annually. According to the National AIDS Housing Coalition, up to 60% of all persons living with HIV/AIDS report a lifetime experience of homelessness or housing instability. Most HIV/AIDS clients are cared for through the Ryan White program. The Ryan White program receives a much larger federal appropriation than the HOPWA program. The HERSA Ryan White Part B allocation for 2007-08 received approximately \$35 million. The HUD HOPWA funding amount for 2007-08 was \$ 2.1 million.

Most persons with HIV/AIDS are living on Supplemental Security Income (SSI) or receive public assistance while awaiting determination of SSI eligibility. Many of this population require support services such as substance abuse and mental health treatment, transportation and case management. Through such supportive services as these they are able to maintain their health and quality of life. During the state fiscal year July 1, 2007 through June 30, 2008 the HOPWA program assisted 2,427 households and with a total of 3,089 services. As mandated by HUD, the percentage of HOPWA clients in permanent housing who maintain housing stability will be 90% by 2012 and will increase by 1% each subsequent year. Improved drug therapies have reduced the number of AIDS deaths; therefore persons living with HIV/AIDS are living longer resulting in the need for more stable and affordable housing in North Carolina. During the state fiscal year (July 07-June 08) the HOPWA program had an increase of 59 permanent housing units. It is estimated that an additional 784 units will be needed by 2020.

### **North Carolina Housing Finance Agency**

NCHFA has a Supportive Housing Development Program (SHDP) that helps fund the development of emergency, transitional, and permanent housing for persons who are homeless and/or special needs, including disabilities. Nonprofit organizations, local governments, and lead regional organizations are eligible to apply for these funds. Projects must include or make supportive services available. "Eligible populations are homeless or non-homeless households that require supportive services, including persons with mental, physical, or developmental disabilities; persons with substance use disorders; persons diagnosed with AIDS and related diseases; and special populations on a case-by-case basis."<sup>103</sup>

Since 2002, the NCHFA and North Carolina Department of Health and Human Services (DHHS) have partnered to expand the supply of affordable housing for extremely low-income persons with disabilities, including the homeless, living in targeted rental units. The NCHFA and DHHS Targeting Program makes 10% percent of the total number of Housing Credit apartments available to eligible households across the state. Key Program operating assistance is made available to assure the units are affordable to persons with incomes as low as Supplemental Security Income (\$674 a month in 2009). The Key Program is administered by NCHFA in partnership with DHHS. Access to the units and linkage with supportive services is coordinated by DHHS.

In 2007 the General Assembly expanded the DHHS-NCHFA partnership by creating the "400 Initiative" with appropriations for the recurring costs of the Key Program and one time capital costs for construction and/ or rehabilitation of existing units. The 400 Initiative enabled NCHFA and DHHS to extend the Targeting program in the Housing Credit program and expand their partnership to include units developed by the Supportive Housing Development Program (SHDP 400) and the Preservation Loan Program (PLP 400)

Based on an internal inventory, the following shows North Carolina Housing Finance Agency's affordable rental housing projects by target population. This table should be used for general reference only. Additionally, the totals for each total population should not be summed, as some projects serve multiple populations. In addition to the housing below, NCHFA's Housing Tax Credit program sets aside

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<sup>103</sup> North Carolina Housing Finance Agency Supportive Housing Development Program.  
<http://www.nchfa.com/Nonprofits/SHDsupportivehousing.aspx>

targeted units in each Tax Credit project for persons with disabilities. To date, over 550 units have been set aside through this program.

### **Projects Funded Through the North Carolina Housing Finance Agency's Supportive Housing Development Program (7/22/09)**

Target Populations	Projects	Units
Domestic violence	23	296
Ex-offender	2	46
Terminally Ill	3	37
Teen Parents	4	31
Youth Only	10	70
Persons with Disabilities	85	974

## **BARRIERS TO AFFORDABLE HOUSING**

24 CFR 91.310 (d) Barriers to Affordable Housing

*“The plan must explain whether the cost of housing or the incentives to develop, maintain, or improve affordable housing in the State are affected by its policies, including tax policies affecting land or other property, land use controls, zoning ordinances, building codes, fees and charges, growth limits, and policies that affect the return on residential investment.”*

### **Overview**

HUD has created a regulatory barriers clearinghouse that provides a wealth of information on “best practices” from communities across the nation. Although HUD does not mandate action, it encourages communities to become partners in a “National Call to Action (NCA).” The NCA is an attempt to provide a unified response to the ever-increasing and changing barriers to affordable housing being created across the nation.<sup>104</sup>

While private actions principally influence the housing market, regulations at the federal, state, and local levels significantly impact the market's ability to provide affordable housing units. Affordable housing barriers include a variety of regulations and policies that can impede affordable housing development and in addition many can directly or indirectly affect the cost of housing.

### **State Barriers**

Due to the weak nature of state planning statutes in North Carolina, jurisdictions are not required to complete a housing element as part of a comprehensive plan (GS 160A-383). The absence of strong housing planning laws will continue to create a barrier to the development of affordable housing. In 1999 the state established a Commission on Smart Growth, Growth Management, and Development. In the fall of 2001, the Commission made several recommendations related to affordable housing. One of the goals was to ensure that all local governments in North Carolina have comprehensive growth plans that meet minimum state standards, with incentives to reach beyond minimum standards to produce excellent plans.

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<sup>104</sup> AACI Report p.11

One of the strategies suggested to implement this goal was to require that all plans analyze the need for affordable housing, based on available data and established criteria, and how needs will be addressed.<sup>105</sup>

Another goal was to enhance the smart growth tool box at the local level. One strategy for meeting this goal was for North Carolina to remove barriers to implementing smart growth goals and programs erected through existing statutes, policies, guidelines and practices. The Committee report continued by saying a patchwork quilt of legislative authorizations had evolved that provided some jurisdictions with tools unavailable to others.<sup>106</sup> North Carolina does not have enabling legislation for local impact fees or statewide inclusionary zoning laws. The state legislature has granted some jurisdictions the ability to enact voluntary inclusionary zoning ordinances but local jurisdictions are currently prohibited from enacting any type of mandatory ordinance unless given explicit authority from the state. The absence of enabling legislation for inclusionary zoning is a significant barrier to affordable housing in the state.

Beginning in January 2002, there was a new committee formed called the Joint Legislative Growth Strategies Oversight Committee; their purpose was to study the recommendations from the earlier Commission on Smart Growth, Growth Management, and Development and to consider additional strategies. In 2005 this committee was extended to January 2007, but it did not produce a report before it was terminated.<sup>107</sup>

While the state has adopted the International Code Council (ICC) Building Code, it has not adopted a building code for residential rehabilitation projects. Most state funded rehabilitation programs do impose their own program rehabilitation standards; however, for non-state funded rehabilitation, the creation of a state code is needed. In relation to affordable housing, building codes can serve two purposes; they are essential for the safe rehabilitation of older existing structures, and they can ensure costly and excessive renovation would not be required. Thus the code could aid in creating new opportunities for affordable housing.

Additionally, there is a lack of capacity, operating funds, and predevelopment funds for non-profit organizations. Although a non-profit may have the mission and desire to develop affordable housing for their community, not having the organizational capacity is a significant obstacle that prevents the production of affordable housing.

During the late 2000s, a new issue emerged for the state of North Carolina that creates a barrier to affordable homeownership: poor credit worthiness of low-income people. Combined with more stringent lending and underwriting standards, for the foreseeable future, access to credit for mortgage loans will be much more limited for this population. The state needs to continue to provide funding to organizations that provide housing and credit counseling to educate and empower low-income households to make sound financial choices, and if needed, to repair their current financial situation.

Furthermore, home foreclosures have created an increase in the number of renters. Because of this increase, the demand for rental units has elevated and subsequently rents have risen. The end result of higher rents has created a barrier to affordable rental units for low-income households. Additionally, homeowner housing values have dropped and many buyers are now in a market where they can't pay their current mortgage, are not credit worthy to refinance, and yet can't sell their home.

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<sup>105</sup> Commission on Smart Growth, Growth Management, and Development. Fall 2001. Page 33  
<http://www.sustainablesandhills.org/documents/NCSmartGrowthCommissionReport2001.pdf>

<sup>106</sup> Commission on Smart Growth, Growth Management, and Development. Fall 2001. Page 28  
<http://www.sustainablesandhills.org/documents/NCSmartGrowthCommissionReport2001.pdf>

<sup>107</sup> North Carolina Legislation 2004 Chapter 13 UNC School of Government. Page 2  
[http://www.sog.unc.edu/pubs/nclegis/nclegis2004/NCLegis04\\_ch13.PDF](http://www.sog.unc.edu/pubs/nclegis/nclegis2004/NCLegis04_ch13.PDF)

## Local Barriers

The NCHFA researched and compiled a list of local barriers that affect the production of affordable housing. The following obstacles are partially based on NCHFA's own housing development experience and considered significant.

**The planning approval procedures for multifamily zoning and special use permits can place undue burdens on development.** Due to the fact that both trigger the public review, affordable housing developers must contend with the Not in My Back Yard (NIMBY) sentiments.

**Often local development requirements negatively impact affordable housing development.** Minimum parking standards, for example, are mandated for new multifamily developments that serve special needs populations who often do not drive. Many times the standards are unnecessary and increase the development costs of the project so it is prohibitive as affordable housing.

**Existing zoning codes in North Carolina are outdated and ill equipped to handle the different models of supportive housing.** This is a continuing issue that presents one of the biggest challenges to affordable housing in the state. The lack of updated zoning regulations means that supportive housing proposals are classified incorrectly as institutional land uses and can often be barred from locating in residential zoning districts.

**There are overly restrictive zoning definitions of "single family".** When jurisdictions prohibit or severely limit the number of unrelated persons that may live in single family homes, they are creating barriers to affordable housing and may also violate fair housing laws.

**Housing location policies can inhibit affordable housing development.** Several large cities in North Carolina have adopted housing location policies in an attempt to prevent over-concentrations of affordable housing. However, many of these location policies create barriers to affordable housing due to the lack of assistance on the part of the local government to incentivize affordable housing development in other areas.

**The lack of public transportation influences where people can live.** The cost and availability of transportation to work, shopping, and other services is a factor that limits housing choice and affordability, especially for those with low incomes.

## CLOSING REMARKS

In North Carolina, many advancements have been made to improve the living conditions of its citizens. However, from the preceding Analysis, it can be seen that there are issues with supply, demand, cost, and condition of available housing units in the state as well as insufficient homeless facilities and additional barriers to affordable housing. The planned use of housing funds is detailed in the state's Strategic Plan. With the data provided in the Housing Market Analysis and the Housing and Homeless Needs Assessment, the state has attempted to project how the funds designated for housing will be used to address the unmet need in North Carolina.

# Housing and Homeless Needs Assessment

## INTRODUCTION

The following Housing and Homeless Needs Assessment is divided into five sections. These sections closely adhere to the Consolidated Plan Regulation that can be found at 24 CFR 91.305, “Housing and Homeless Needs Assessment”. Each subsection is labeled and states the applicable portion of the regulation. The state has endeavored to provide accurate and sufficient data to respond to each subsection.

### A. GENERAL HOUSING NEEDS

Section 91.305(a) General: *“The Consolidated Plan must describe the State’s estimated housing needs projected for the ensuing five year period. Housing data included in this portion of the plan shall be based on U.S. Census data, as provided by HUD, as updated by any properly conducted local study, or any other reliable source that the State clearly identifies and should reflect the consultation with social service agencies and other entities conducted in accordance with 91.110 and the citizen participation process conducted in accordance with 91.115. For a State seeking funding under the HOPWA program, the needs described for housing and supportive services must address the needs of persons with HIV/AIDS and their families in areas outside of eligible metropolitan statistical areas.”*

### Explanation of Data Sources

The estimates of housing need in this Consolidated Plan are based on data from the 2007 American Community Survey, from the U.S. Census Bureau. This is the most recent data available for the state of North Carolina. However, because it is 2007 data and not based on the decennial census, we were not able to use the data custom-tabulated for HUD in the format known as “CHAS Data Book”. The CHAS data has not been updated since 2000. Additionally, because North Carolina has been undergoing significant demographic shifts and in light of the current housing market conditions, we do not believe the needs identified in the CHAS data book in 2000 adequately reflect the nature and extent of North Carolina’s general housing needs for 2011-2015, the five year period of this Consolidated Plan. The Housing and Homeless Needs Assessment also includes data on homeless and other special needs. NCHFA collaborated with other agencies because of their expertise in these areas, specifically with the Department of Health and Human Services (DHHS), the Office of Economic Opportunity (OEO), and the North Carolina Council to End Homelessness (NCCEH). Text and data explaining the needs of persons with HIV/AIDS and their families was provided by the HOPWA program staff in the Division of Public Health.

### Definitions

- **Cost Burden**<sup>108</sup>—HUD considers a household “cost burdened” when its gross housing costs, including utility costs, exceed 30% of its gross income. HUD considers a household “severely cost burdened” when its gross housing costs, including utility costs, exceed 50% of its gross income.

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<sup>108</sup> HUD Office of Policy Development and Research. Appendix B “Rental Housing Assistance—The Worsening Crisis” March 2000 [http://www.huduser.org/publications/affhsg/worstcase00/app\\_b.html](http://www.huduser.org/publications/affhsg/worstcase00/app_b.html)

- **Overcrowding**<sup>109</sup>—HUD considers a household “overcrowded” when the ratio of occupants to rooms exceeds 1. HUD considers a household “severely overcrowded” when the ratio of occupants to rooms exceeds 1.5.

HUD’s Consolidated Planning regulation at Section 91.305 (b) (1) requires the state to define the terms “standard condition” and “substandard condition but suitable for rehabilitation.” For the purposes of this Consolidated Plan, North Carolina defines these terms as follows:

- **“Standard Condition”**—a unit that meets or exceeds HUD’s Section 8 quality standards.
- **“Substandard Condition but Suitable for Rehabilitation”** – a unit that does not meet Section 8 quality standards but could be brought up to those standards for less than the unit’s appraised value.”
- **Middle Income**<sup>110</sup> – Reported income not in excess of 120% of Area Median Income
- **Moderate Income**<sup>111</sup> -- Reported income not in excess of 95% of Area Median Income
- **Low Income**<sup>112</sup> – Reported income not in excess of 80% of Area Median Income
- **Very Low Income**<sup>113</sup> – Reported income not in excess of 50% of Area Median Income
- **Extremely Low Income**<sup>114</sup> – Reported Income not in excess of 30% of Area Median Income

For the purposes of this Consolidated Plan, North Carolina considers any household with a cost burden, overcrowded housing, and/or substandard housing to be a household with one or more housing needs.

- **Area median income**<sup>115</sup> - a statistic generated by the U.S. Department of Housing and Urban Development (HUD) for purposes of determining the eligibility of applicants for certain federal housing programs. HUD determines AMI on an annual basis for each metropolitan area and non-metropolitan county, making adjustments for household size and other factors.

**Homeless**<sup>116</sup> -- the term “homeless” or “homeless individual or homeless person” includes—

1. an individual who lacks a fixed, regular, and adequate nighttime residence; and
2. an individual who has a primary nighttime residence that is —
  - a) a supervised publicly or privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters, and transitional housing for the mentally ill);
  - b) an institution that provides a temporary residence for individuals intended to be institutionalized; or

<sup>109</sup>HUD Office of Policy Development and Research. “Measuring Overcrowding in Housing” September 2007 [http://www.huduser.org/publications/pdf/Measuring\\_Overcrowding\\_in\\_Hsg.pdf](http://www.huduser.org/publications/pdf/Measuring_Overcrowding_in_Hsg.pdf)

<sup>110</sup> Ibid.

<sup>111</sup> [http://www.huduser.org/datasets/il/il08/HUD\\_sec236\\_FY2008.pdf](http://www.huduser.org/datasets/il/il08/HUD_sec236_FY2008.pdf)

<sup>112</sup> HUD Office of Policy Development and Research. Appendix B “Rental Housing Assistance—The Worsening Crisis” March 2000 [http://www.huduser.org/publications/affhsg/worstcase00/app\\_b.html](http://www.huduser.org/publications/affhsg/worstcase00/app_b.html)

<sup>113</sup> Ibid.

<sup>114</sup> Ibid.

<sup>115</sup> <http://www.foreclosure-response.org/glossary.html>

<sup>116</sup>Federal Definition of Homeless <http://www.hud.gov/homeless/definition.cfm>



- c) a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.
- **Homeless Shelters** – Over 35 North Carolina counties have no homeless shelters, forcing people experiencing homelessness to double up, live in places not suitable for human habitation or to leave their communities.
- **Household**<sup>117</sup> - all related or unrelated individuals whose current residence at the time of the ACS interview is the address in question
- **Household income**<sup>118</sup>: income of the householder and all other individuals 15 years and older in the household, whether they are related to the householder or not.
- **Gross Rent**<sup>119</sup>: contract rent plus the estimated monthly cost of utilities and fuels, if these are paid by the renter
- **Median household income**<sup>120</sup>: based on the distribution of households and families including those with no income. It is computed on the basis of a standard distribution.
- **Monthly housing costs as a percentage of household income**<sup>121</sup>: developed from a distribution of selected monthly owner costs as a percentage of household income for owner-occupied and gross rent as a percentage of household income for renter occupied housing units.
- **Permanent supportive Housing**<sup>122</sup> – community based housing coupled with supportive services that is not time limited.
- **Rural**: A city or county that is not a CDBG entitlement area.
- **Selected conditions**<sup>123</sup>: A unit lacks complete kitchen facilities or it lacks complete plumbing facilities or it has over 1.01 occupants per room, or it is cost burdened or some combination of these four conditions.
- **SSI Income** – For individuals with income derived solely from Supplemental Security Income, the housing cost picture is most severe. The SSI payment for an individual in 2008 is \$637. Based on SSI income, an affordable rent could not exceed \$191 per month. However, the 2008 average fair market rent for a one-bedroom apartment in North Carolina was \$595.

## Overview Highlights

Complete references including source and year for the summary statistics below can be found throughout this document.

### Household and Income Statistics

- 54% of North Carolina's households earn \$50,000 or less, and according to HUD for FY2008 the 80% AMI for a family of four was \$44,000;

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<sup>117</sup> American Community Survey Design and Methodology Chapter 6  
[http://www.census.gov/acs/www/SBasics/design\\_meth.htm](http://www.census.gov/acs/www/SBasics/design_meth.htm)

<sup>118</sup> Ibid.

<sup>119</sup> Ibid.

<sup>120</sup> Ibid.

<sup>121</sup> Ibid.

<sup>122</sup> Predicting Staying in or Leaving Permanent Supportive Housing that Serves Homeless People with Mental Illness. HUD Office of Policy Development and Research.  
<http://www.huduser.org/Publications/pdf/permhsgstudy.pdf>

<sup>123</sup> Ibid.

- 18% of the 3.5 million NC households pay between 30% and 49% of their income for housing, and 13% pay 50% or more of their income for housing costs;
- Over 70,000 households live in overcrowded conditions, with 14% of the Hispanic population overcrowded;

### **Housing Stock Statistics**

- 72% of North Carolina's housing stock is less than forty years old;
- Only .6% of the 112,000 children tested for lead poisoning in 2007 had lead levels at the dangerous amount of lead in their blood;

### **Homeless Statistics**

- Over 35 NC counties do not have homeless shelters;
- The January 2009 Point-In-Time (PIT) homeless count revealed 12,746 unduplicated homeless individuals in 63 counties;
- The total unmet need for homeless shelter beds is 4,332;
- 30% to 40% of homeless persons are known to have mental illness, and an even higher percentage suffer from addiction disorders;

### **Special Population Statistics**

- The total reported need for permanent supportive housing beds is 2,894;
- It is estimated that an additional 784 permanent housing units for persons with HIV/AIDS and their families will be needed by 2020;

### **Renter Household Statistics**

- 37% of all renter households earn less than \$20,000;
- Renter households are more cost burdened than owner households;

### **Home Owner Household Statistics**

- White and Asian households have the highest homeownership rates and Hispanic households have the lowest homeownership rates.
- The largest group of owner households is two-person households;

## **B. CATEGORIES OF PERSONS AFFECTED**

Section 91.305(b) Categories of Persons Affected: *“(1) The Consolidated Plan shall estimate the number and type of families in need of housing assistance for extremely low-income, low-income, moderate income, and middle-income families, for renters and owners, for elderly persons, for single persons, for large families, for persons living with HIV/AIDS and their families, for victims of domestic violence, dating violence, sexual assault, and stalking, and for persons with disabilities. The description of housing needs shall include a discussion of the cost burden and severe cost burden, overcrowding (especially for large families), and substandard housing conditions being experienced by extremely low-income, low-income, moderate income, and middle-income renters and owners compared to the State as a whole. (The State must define in its consolidated plan the terms “standard condition” and “substandard condition but suitable for rehabilitation”).*

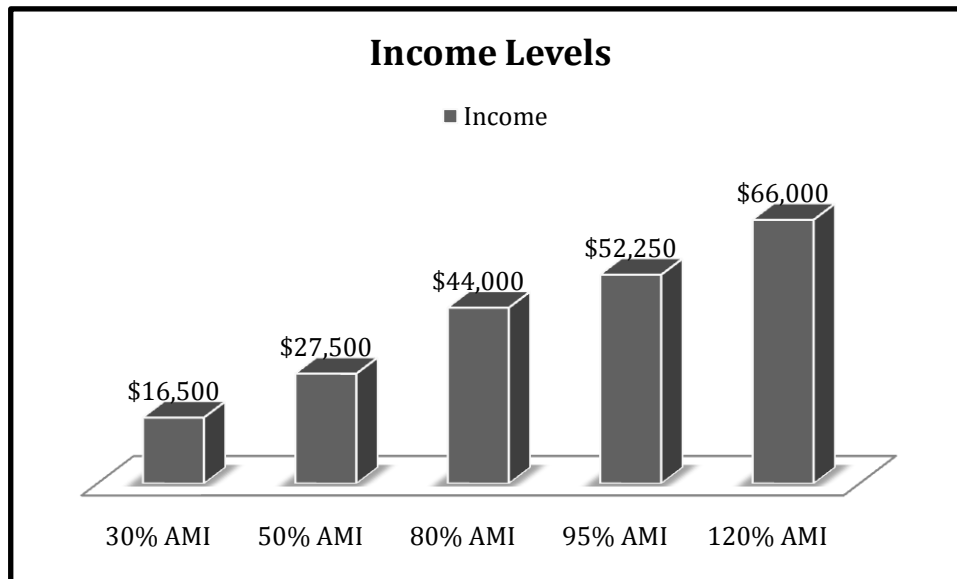
*For any of the income categories enumerated in paragraph (b)(1) of this section, to the extent that any racial or ethnic group has disproportionately greater need in comparison to the needs of that category as a whole, assessment of that specific need shall be included. For this purpose, disproportionately greater need exists when the percentage of persons in a category of need who are members of a particular racial*



or ethnic group is at least 10 percentage points higher than the percentage of persons in the category as a whole.”

## INCOME

According to HUD’s FY 2008 Income Limits, the North Carolina state Area Median Income (AMI) or 100% AMI for a family of four is \$55,000. A family of four with a household income of \$16,500 is at 30% of AMI; a household income of \$27,500 is at 50% of AMI; a household earning \$44,000 a year is at 80% of AMI; a household earning \$52,250 is at 95% of AMI; and a household with an income of \$66,000 is at 120% AMI.



Comparing the 2009 Poverty Guidelines to this income data, a household of four at 30% of AMI is below the poverty level. At 50% of AMI, a household is 125% of the poverty level. At 80% of AMI, a household is 200% of poverty.

The 2009 Poverty Guidelines for the 48 Contiguous States and the District of Columbia <sup>124</sup>	
Persons in family	Poverty guideline
1	\$10,830
2	14,570
3	18,310
4	22,050
5	25,790
6	29,530
7	33,270
8	37,010
For families with more than 8 persons, add \$3,740 for each additional person.	

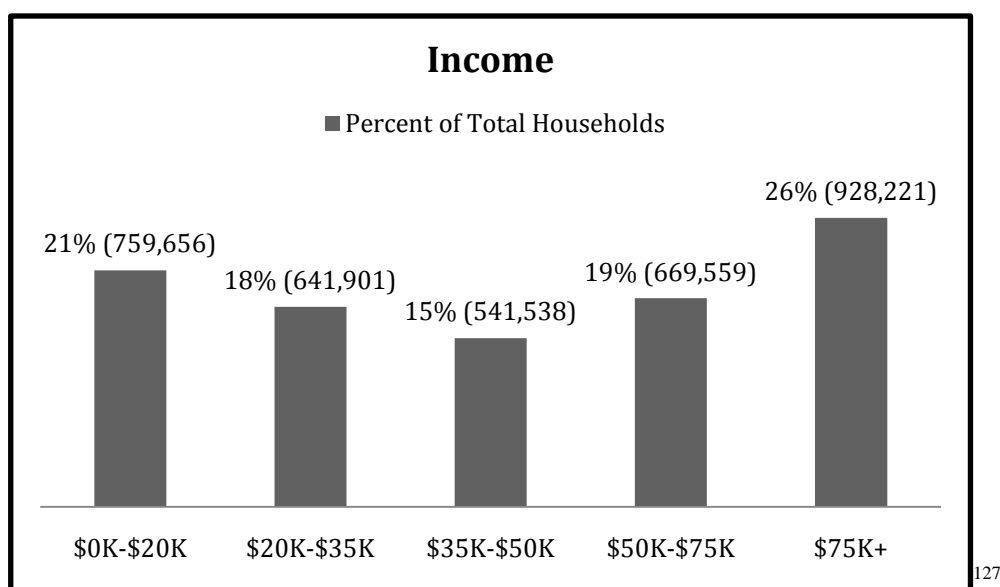
<sup>124</sup> 2009 HHS Poverty Guidelines <http://aspe.hhs.gov/poverty/09poverty.shtml>

The American Community Survey does not have data available on the number of households at each of the area median income levels. To adjust for this, we have looked at broader income ranges that give an indication of the number of households around each AMI level.

Income <sup>125</sup>	\$0K-\$20K	\$20K-\$35K	\$35K-\$50K	\$50K-\$75K	\$75K+	Total
<b>Number of Households</b>	759,656	641,901	541,538	669,559	928,221	3,540,875

The chart below indicates that:

- 21% of North Carolina's households have incomes of \$20,000 or less per year and \$16,500 is 30% of AMI for a family of four.<sup>126</sup>
- 39% of North Carolina's households have a household income less than \$35,000, and \$27,500 is 50% of AMI for a family of four.
- 54% of North Carolina's households earn \$50,000 or less, and \$44,000 is 80% of AMI for a family of four.



## HOUSEHOLD INCOME, TENURE AND SIZE

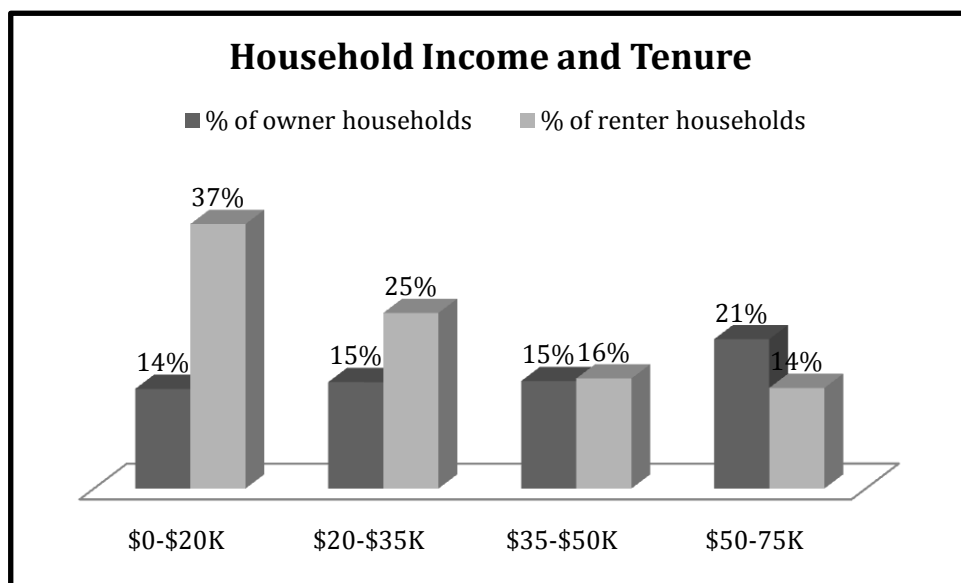
The state analyzed household income by tenure and size. The following table and chart show the raw numbers and percentages by owner and renter households.

<sup>125</sup> Table B19001 Household Income in the Past 12 Months. 2007 American Community Survey. U.S. Census

<sup>126</sup> Please note that all state area median income figures used are adjusted for a family size of 4 persons.

<sup>127</sup> Ibid.

Income <sup>128</sup>	\$0-\$20K	\$20-\$35K	\$35-\$50K	\$50-\$75K	\$75K +	Total
<b>Owner Households</b>	340,366	363,480	367,044	510,029	837,333	2,418,252
<b>Renter Households</b>	419,290	278,421	174,494	159,530	90,888	1,122,623



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From the above chart, it can be concluded that owner households have higher annual incomes than renter households.

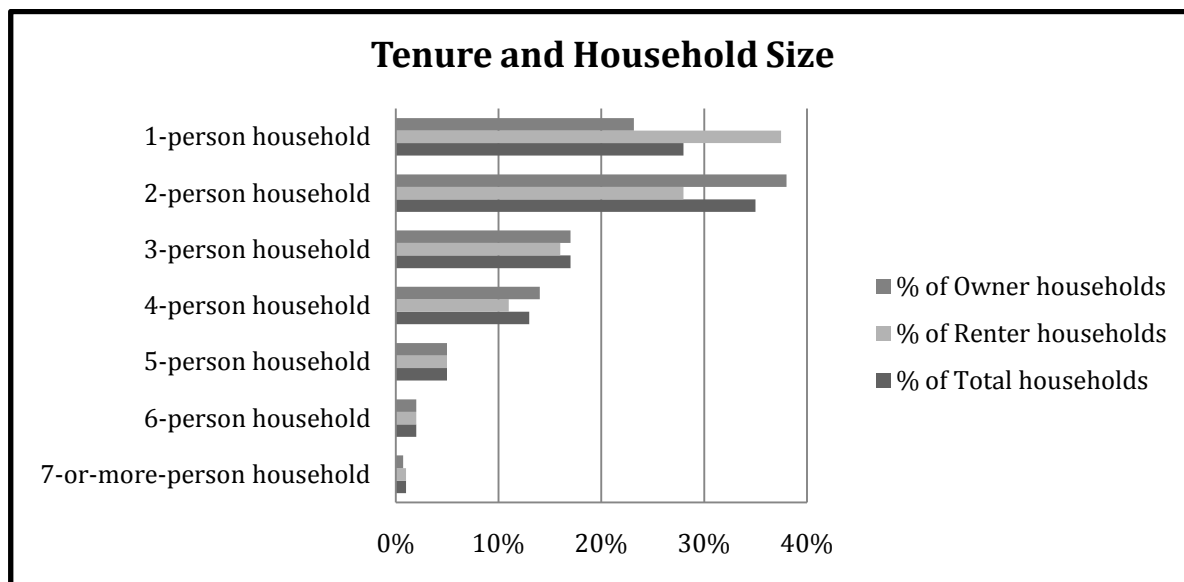
The largest group of owner households is two-person households, followed by one-person households. In total, North Carolina has almost 250,000 households that have five or six members. Furthermore, the state has 30,000 households with seven members or more. It is commonly known that large households have more difficulty finding suitable housing.

Household Size and Tenure <sup>130</sup>	Owner Households	Renter Households	Total households
<b>7-or-more- person household</b>	17,400	12,523	29,923
<b>6-person household</b>	44,291	22,054	66,345
<b>5-person household</b>	125,159	55,615	180,774
<b>4-person household</b>	332,046	119,201	451,247
<b>3-person household</b>	418,052	183,044	601,096
<b>2-person household</b>	921,393	309,276	1,230,669
<b>1-person household</b>	559,911	420,910	980,821

<sup>128</sup> Table B25118. 2007 American Community Survey. US Census.

<sup>129</sup> Ibid.

<sup>130</sup> B25009. 2007 American Community Survey. US Census Bureau.



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The table below shows that households in owner-occupied housing are slightly larger than households in renter-occupied housing.

Household Size <sup>132</sup>	Average Size
Owner-occupied Housing Units	2.55
Renter Occupied Housing Units	2.33

Using the subsequent median household income statistics, four-person households earn the most of any household size, and one-person households earn the least.

Household Size <sup>133</sup>	Median Household Income
1-person households	\$23,732
2-person households	\$51,172
3-person households	\$55,709
4-person households	\$66,198
5-person households	\$60,680
6-person households	\$53,154
7-or-more-person households	\$59,521

<sup>131</sup> Ibid.

<sup>132</sup> Table B25010. 2007 American Community Survey. US Census Bureau.

<sup>133</sup> Table B19019. 2007 American Community Survey. US Census Bureau.

<b>Household Size and Income Limits<sup>134</sup></b>	<b>1-person</b>	<b>2-person</b>	<b>3-person</b>	<b>4-person</b>	<b>5-person</b>	<b>6-person</b>	<b>7-or-more-persons</b>
<b>30% of AMI</b>	\$11,550	\$13,200	14,850	16,500	\$17,800	\$19,150	\$20,450
<b>50% of AMI</b>	\$19,250	\$22,000	24,750	27,500	\$29,700	\$31,900	\$34,100
<b>80% of AMI</b>	\$30,800	\$35,200	39,600	44,000	\$47,500	\$51,050	\$54,550
<b>95% of AMI</b>	\$36,575	\$41,800	47,025	52,250	\$56,367	\$60,642	\$54,758
<b>120% of AMI</b>	\$46,200	\$52,800	59,400	66,000	\$71,200	76,600	\$81,800

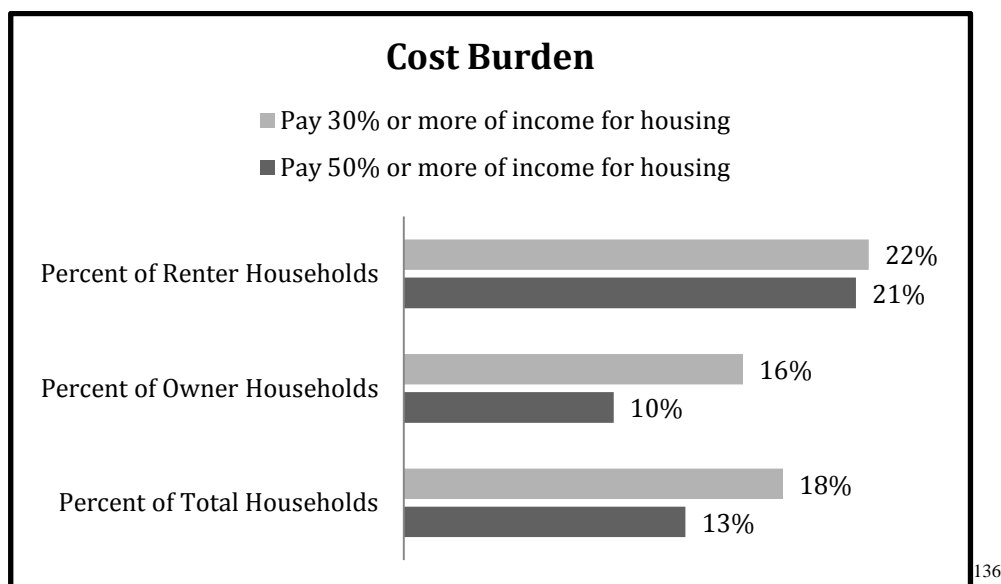
## **COST BURDEN**

<b>Cost Burden<sup>135</sup></b>	<b>Number of Households Paying 0%-30% of Income for Housing Costs</b>	<b>Number of Households Paying 30% to 49% of Income for Housing Costs</b>	<b>Number of Households Paying 50% of Income for Housing Costs</b>
<b>Owner Households</b>	1,792,822	381,600	227,679
<b>Renter Households</b>	531,264	242,839	236,189
<b>Total Households</b>	2,324,086	624,439	463,868

According to HUD, a household should pay no more than 30% of their annual income for housing. Households that pay more than 30% are considered cost burdened, and households that pay more than 50% of their income for housing are considered severely cost burdened. Over 624,000 or 18% of North Carolina's 3.5 million households pay between 30 and 49% of their income for housing costs. Over 460,000 or 13% of North Carolina's households pay 50% or more of their income for housing costs.

<sup>134</sup> HUD FY 2008 State Income Limits. This data is based on the American Community Survey 2005-2007 Three Year Estimates.

<sup>135</sup> Table B25070 and B25091. 2007 American Community Survey. US Census Bureau. A certain amount of owners and renters were not computed by the American Community Survey so for 128,482 households, cost burden data is unknown.



From the above chart, it can be concluded that renter households are more cost burdened than owner households.

The following table shows the cost burden breakdown by income for the number of renter households. Renter households earning less than \$35,000 are more cost burdened than households earning more than \$35,000.

Renter households and Cost Burden <sup>137</sup>	\$0K-\$20K	\$20K-\$35K	\$35K-\$50K	\$50K-\$75K	\$75K +
Pay 30% or more of income	307,889	142,697	22,897	4,689	205
Pay 35% or more of income	285,946	92,875	11,453	2,095	651

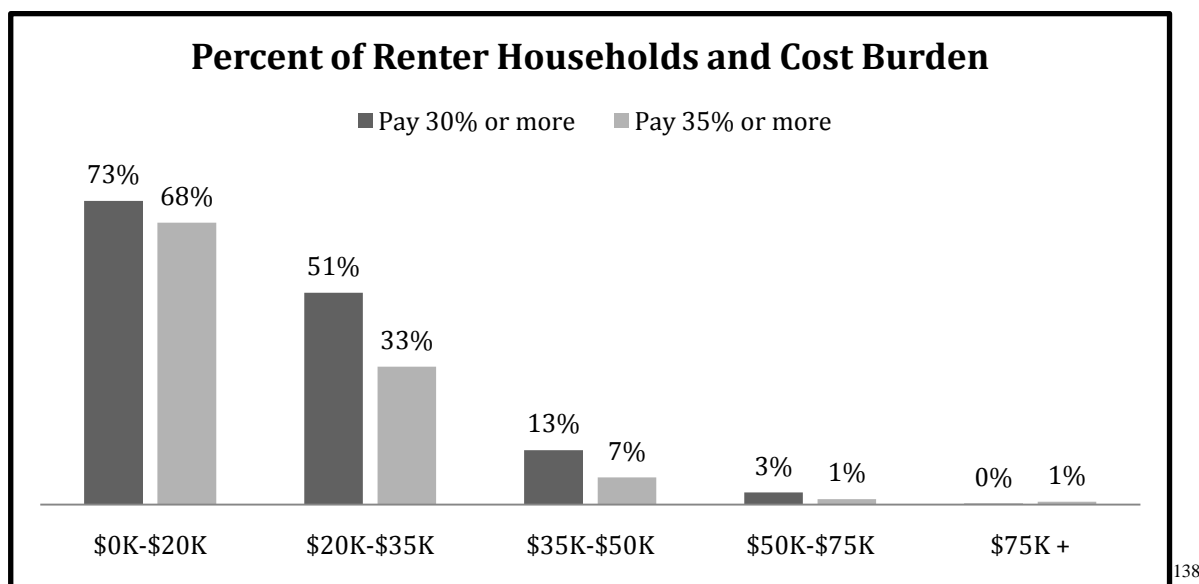
The group of renter households that pays 35% or more of their income for housing is a subset of the group of renter households that pays 30% or more of their income for housing. This detail is important because of what illustrates about renter households earning \$20,000 or less annually. Of the group paying 30% or more of their income for housing, over 92% of that group is actually paying 35% or more of their income for housing. Only 8% pay between 30% and 34% of their income for housing, which is less of a cost burden.

For renter households earning \$20,000 to \$35,000, 65% of households that pay 30% or more of their income for housing actually pay 35% or more of their income for housing. Only 35% of renter households in this group pay between 30% and 34% of their income for housing which is less of a cost burden. Since data on severe cost burden is not available at this level of detail, this understanding that many low-income renter households are paying 35% or more of their income for housing shows the cost burden that exists at lower income levels. The table also illustrates the low levels of cost burden at higher income levels.

<sup>136</sup> Ibid.

<sup>137</sup> Table B25074. 2007 American Community Survey. US Census Bureau.

The next chart further confirms that renter households earning less than \$35,000 are more cost burdened than renter households earning more than \$35,000. Over 73% of renter households that earn less than \$20,000 pay 30% or more of their income for housing. Over 51% of renter households that earn between \$20,000 and \$35,000 pay 30% or more of their income for housing. These proportions significantly decrease once renter households earn more than \$35,000.



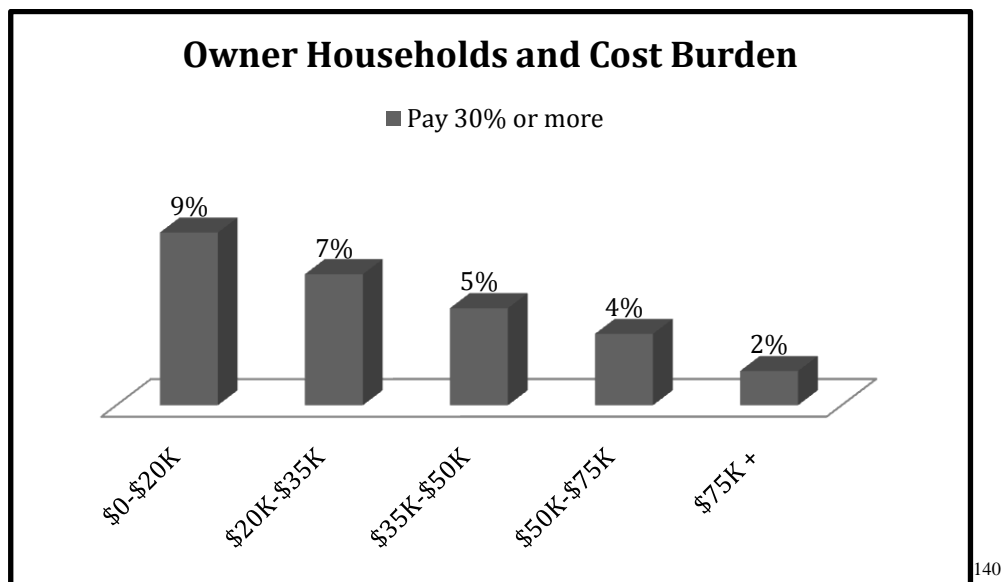
This table shows the cost burden breakdown by income for owner households. Just as renter households with incomes less than \$35,000 are more cost burdened, the same is true for owner households.

Owner Households and Cost Burden <sup>139</sup>	\$0-\$20K	\$20K-\$35K	\$35K-\$50K	\$50K-\$75K	\$75K +	Total
Pay 30% or more	207,740	157,658	116,779	85,905	41,197	609,279

The bar chart below further confirms that owner households earning less than \$35,000 are more cost burdened than owner households earning more than \$35,000, although the proportions are not as high and the variation not as severe as for renter households and costs burden. Nine percent of owner households that earn less than \$20,000 pay 30% or more of their income for housing, and 7% of owner households that earn between \$20,000 and \$35,000 pay 30% or more for housing.

<sup>138</sup> Ibid.

<sup>139</sup> Table B25101. 2007 American Community Survey. US Census Bureau.



## HOUSING CONDITION

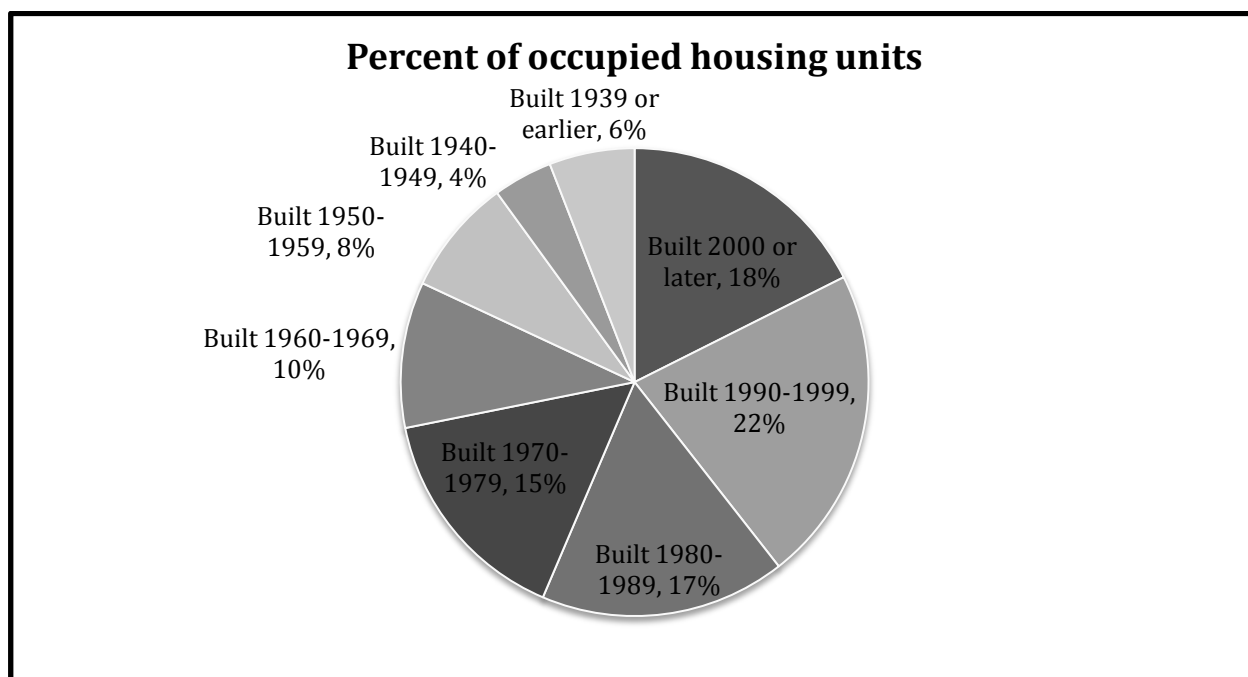
Year Built <sup>141</sup>	Number of Owner-occupied Housing Units	Number of Renter Occupied Housing Units	Number of Total Housing Units
Built 2000 or later	440,508	182,746	623,254
Built 1990-1999	560,816	212,146	772,962
Built 1980-1989	395,064	206,239	601,303
Built 1970-1979	361,595	185,109	546,704
Built 1960-1969	242,887	114,482	357,369
Built 1950-1959	189,763	95,279	285,042
Built 1940-1949	93,191	52,088	145,279
Built 1939 or earlier	134,428	74,534	208,962
Total	2,418,252	1,122,623	3,540,875

<sup>140</sup> Ibid.

<sup>141</sup> Table B25036. 2007 American Community Survey. US Census Bureau.



Most of North Carolina's housing units were built after 1970 and over half were built after 1980. Thus, 72% of the housing stock in North Carolina is less than forty years old, and only 28% is over forty years old.



<sup>142</sup>

North Carolina has made great strides in reducing the number of housing units that lack complete kitchen and/or plumbing facilities. The number of housing units lacking complete kitchen facilities has decreased by 58% from 2000, and the number of housing units lacking complete plumbing kitchen facilities has decreased by 68%.<sup>143</sup> However, significantly more renter-occupied housing units than owner-occupied housing units either lack complete kitchen facilities or are overcrowded. According to the American Housing Survey, the lack of complete kitchen facilities means a housing unit has moderate physical problems.<sup>144</sup>

Condition <sup>145</sup>	Number of Owner Units	Number of Rental Units	Number of Total Units
Lacks Complete Kitchen Facilities	5,938	10,084	16,022
Lacks Complete Plumbing Facilities	5,998	5,638	11,636

<sup>142</sup> Ibid.

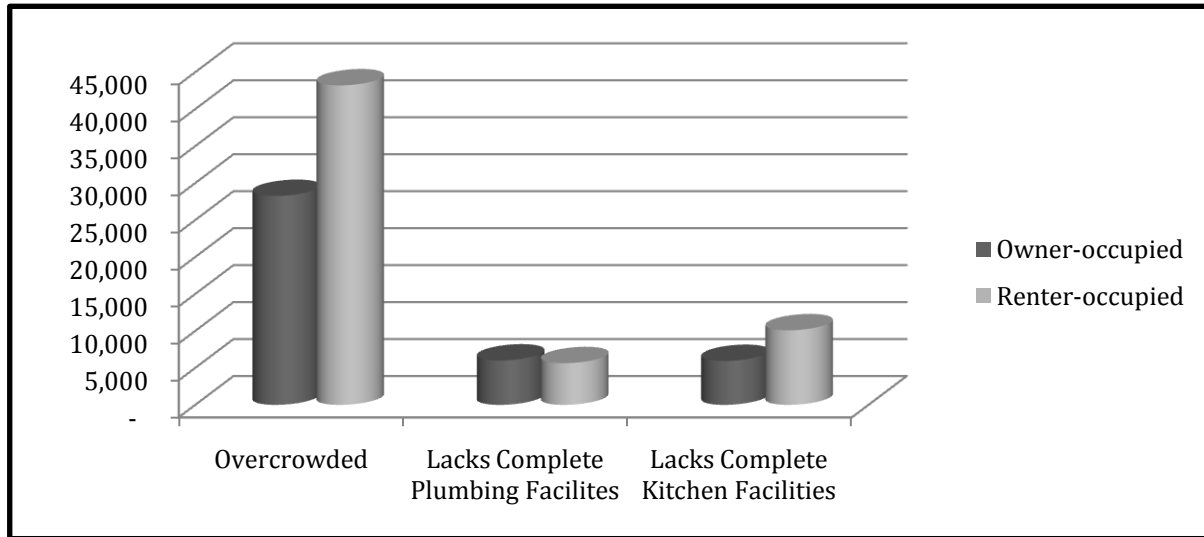
<sup>143</sup> Tables H47 and H50 US Census 2000 and Housing 1 Year Estimates American Community Survey 2007.

<sup>144</sup> Definitions from the American Housing Survey

<http://www.census.gov/hhes/www/housing/ahs/ahs01/appendixa.pdf>

<sup>145</sup> Tables B25016, B25049, and B25053. 2007 American Community Survey. US Census Bureau.

Overcrowding is a significant problem, especially for renter-occupied housing units, as the chart below indicates. In total, over 70,000 households live in overcrowded conditions.<sup>146</sup> Two percent of North Carolina's total housing units are overcrowded.<sup>147</sup> This has improved over time, as the number of overcrowded housing units has decreased by almost 50% from 2000.<sup>148</sup>



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Also requested for the Housing and Homeless Needs Assessment was data on the housing needs of the elderly in the state. Data from the American Community Survey shows that, of the overcrowded households in North Carolina, approximately 1,900 are older adult households.<sup>150</sup>

Overcrowded <sup>151</sup>	Owner Households	Renter Households
<b>Older Adult Households</b>	1,417	535

Furthermore, of the total households living in overcrowded conditions, 1 % are white alone; 3% are African American; and 4% are Asian. In contrast, 14% of North Carolina's Hispanic population lives in overcrowded conditions.

Race <sup>152</sup>	Number of overcrowded households	Percent of Race Households that are overcrowded
<b>White(Alone)</b>	24,184	1%
<b>African-American</b>	20,192	3%
<b>Asian</b>	2,339	4%

<sup>146</sup> Ibid.

<sup>147</sup> Ibid.

<sup>148</sup> Table H20. 2000 US Census.

<sup>149</sup> Ibid.

<sup>150</sup> Table B25015. 2007 American Community Survey. US Census Bureau.

<sup>151</sup> Ibid.

<sup>152</sup> Tables B25014 B, D, H, and I. 2007 American Community Survey. US Census Bureau.

<b>Hispanic</b>	23,750	14%
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The table below combines condition information (lacking kitchen or plumbing, overcrowded) and cost burden information. 1775 households face three of these four issues. 33,200 households face two of these issues in their housing, and over a million households face one of these issues. Over 30% of North Carolina's households face housing condition or cost issues.

<b>Selected Conditions<sup>153</sup></b>	<b>Owner-Occupied</b>	<b>Renter-Occupied</b>
<b>With one selected condition</b>	592,991	469,794
<b>With two selected conditions</b>	9,890	23,378
<b>With three selected conditions</b>	712	1,063
<b>With four selected conditions</b>	0	0
<b>No selected conditions</b>	1,814,659	628,388

## OTHER GROUPS AFFECTED

### HIV/AIDS

According to the NC Epidemiologic Profile for HIV/STD Prevention and Care in October 2008, there were an estimated 33,000 people living with HIV or AIDS in North Carolina (including individuals who may have been unaware of their infection) as of December 31, 2007. In the 2007 calendar year, 1,943 new individuals were reported with HIV disease (HIV/AIDS) in the state. During the state fiscal year July 1, 2007 through June 30, 2008 the HOPWA program assisted 2,427 households and provided 3,089 services.

### Persons with Disabilities

In 2007 North Carolina had approximately 119,131 non elderly adults who had a disability so severe that they have no work history that receive Supplemental Security Income (SSI).<sup>154</sup> In addition, in 2007 270,824 disabled workers in North Carolina received Social Security Disability Income (SSDI).<sup>155</sup> The average monthly SSI payment in 2009 was \$674. SSDI payments are calculated on the individual's work history the average monthly payment in 2008 was \$1004.<sup>156</sup> As discussed in the Housing Market

<sup>153</sup> Table B25123 2007 American Community Survey, US Census Bureau.

<sup>154</sup> Social Security Administration, Supplemental Security Record (Characteristic Extract Record format), 100 percent data. 2007 [http://www.ssa.gov/policy/docs/statcomps/ssi\\_sc/2007/nc.pdf](http://www.ssa.gov/policy/docs/statcomps/ssi_sc/2007/nc.pdf)

<sup>155</sup> Social Security Administration, Supplemental Security Record (Characteristic Extract Record format), 100 percent data. 2007 [http://www.ssa.gov/policy/docs/statcomps/ssi\\_sc/2007/nc.pdf](http://www.ssa.gov/policy/docs/statcomps/ssi_sc/2007/nc.pdf)

This number is only a proportion of the disabled population in North Carolina as not everyone who is disabled is receiving supplemental security income.

<sup>156</sup> Social Security Administration, Supplemental Security Record (Characteristic Extract Record format), 100 percent data. 2007 [http://www.ssa.gov/policy/docs/statcomps/ssi\\_sc/2007/nc.pdf](http://www.ssa.gov/policy/docs/statcomps/ssi_sc/2007/nc.pdf)

Analysis, during 2007-2008, the FMR for a 2-Bedroom (BR) apartment in North Carolina was \$681 and an annual income of \$27,000 was necessary in order for that FMR unit to be affordable. For persons living on disability income the gap between income and housing affordability is severe and decent housing is not affordable without some form of rental assistance.

### **Victims of Domestic Violence and Sexual Assault**

North Carolina's domestic violence programs served 41,787 people in 2007-2008. Eighty-five percent of all persons served were female. 58% of all persons served were white, 24% were African-American, and 10% were Hispanic. Over 10,000 persons needed shelter services, and almost 700 of those persons had disabilities of some kind.<sup>157</sup> 1,000 persons were turned away because of lack of space<sup>158</sup>; because of this high demand, most domestic violence shelters do not allow victims to stay more than 90 days. On average, it takes a family six to ten months to secure housing.<sup>159</sup> Nearly half (50%) of the 24 cities surveyed in 2005 by the US Conference of Mayors identified domestic violence as a "primary cause" of homelessness.<sup>160</sup> Domestic violence is chronically underreported, so the number of victims is probably much higher.<sup>161</sup>

It can also be more difficult for victims of domestic violence to secure housing. Landlords commonly refuse to rent to any women who have protection orders or other indications of domestic violence. Landlords can evict tenants when violence occurs in the home, regardless if the tenant was the victim. Federal law also allows public housing authorities to evict families for criminal activity committed by a tenant's family member or guest.<sup>162</sup>

However, the 2005 Violence Against Women Reauthorization Act "protects tenants and family members of tenants who are victims of domestic violence, dating violence, or stalking from being evicted or terminated from housing assistance based on acts of violence against them. " Both public housing agencies and Section 8 programs are subject to this law. Being a victim of abuse is not a basis for denial for assistance or denial of admission to public or assisted housing. Furthermore, incidents or threats of abuse are not "good cause" for termination of assistance, tenancy, or occupancy (for the tenant) if the tenant or a member of the tenant's immediate family is the victim or threatened victim of that abuse.<sup>163</sup> The 2005 VAWRA "extends services and legal protection for women in housing and employment, and revamps the legal system to make it more accessible and beneficial for the victims".<sup>164</sup> This Act mandates new funds for housing as well as funds to educate and train public housing providers.<sup>165</sup>

North Carolina's programs for victims of sexual assault served approximately 6,500 people in 2007-2008.<sup>166</sup> According to the Department of Health and Human Services, 1 in 5 women in North Carolina have been sexually assaulted.<sup>167</sup> North Carolina's General Statute 42-42.2, effective in 2005, prohibits discrimination against tenants based on the tenant's status as a victim of domestic violence, sexual

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<sup>157</sup> 2007-2008 Statistical Bulletin North Carolina Council for Women/Domestic Violence Commission.

<sup>158</sup> Ibid.

<sup>159</sup> Domestic Violence and Housing Fact Sheet. National Coalition Against Domestic Violence.

<sup>160</sup> <http://www.legalmomentum.org/our-work/domestic-violence/statistics.html>

<sup>161</sup> National Coalition Against Domestic Violence National Fact Sheet

[http://www.ncadv.org/files/DomesticViolenceFactSheet\(National\).pdf](http://www.ncadv.org/files/DomesticViolenceFactSheet(National).pdf) Retrieved 6/22/2009

<sup>162</sup> Ibid.

<sup>163</sup> PIH 2006-42 US Department of Housing and Urban Development. Office of Public and Indian Housing. H 08-07 US Department of Housing and Urban Development. Office of Housing.

<sup>164</sup> Harris, Allison and Musso, Megan. Update on Violence Against Women Act. National Research Center for Women and Families. <http://www.center4research.org/vawa2005.html> Retrieved 6/22/2009.

<sup>165</sup> Ibid.

<sup>166</sup> 2007-2008 Statistical Bulletin North Carolina Council for Women/Domestic Violence Commission.

<sup>167</sup> North Carolina Domestic Violence Facts. National Coalition Against Domestic Violence.

assault, or stalking, provided that the violence has been documented by law enforcement, a court, a federal agency, a domestic violence or sexual assault program, or a religious, medical, or other professional.

### **Migrant Farm workers**

The state has identified migrant farm workers as a low-income group with unique housing challenges. The lack of quality housing for farm laborers has potentially severe impacts not only to the health and well-being of the farm laborers who harvest the crops, but also to the state's agricultural industry and the state's economy in general. The Agricultural Employment Services of the North Carolina Employment Security Commission estimated the migrant and H2-A Guest Workers farm labor in North Carolina for 2007 as 46,340 people. The H2-A Guest Worker program is an arrangement between the United States and other countries by which agricultural employers are allowed to employ nonimmigrant workers to work legally in the United States with work visas on a seasonal or peak load basis. In addition to many other requirements, the agricultural employer must by law provide approved housing at no cost to the worker(s). Migrant and H2-A farm laborers reside in all of North Carolina's 100 counties.

### **Persons Living in Rural Areas**

Rural areas are more disadvantaged in North Carolina than urban areas. Poverty rates are higher in rural areas than urban areas, and the poverty rate for nonmetro minorities is twice the rate of white non-Hispanic residents.<sup>168</sup> According to USDA data, the poverty rate for rural areas in North Carolina in 2007 was 16.9%, compared to 13.2% for urban areas. The unemployment rate was 7.3% for rural and 5.6% for urban areas in 2008.<sup>169</sup> Housing costs are lower in rural areas, but incomes are also lower.<sup>170</sup> Per capita income was also lower, at \$28,534 for rural NC and \$35,959 for urban.<sup>171</sup> Because of the lower incomes, many rural households face cost burden; nearly 70% of rural households in poverty are housing cost burdened.<sup>172</sup> Rural households are also more likely to face substandard housing. Renter households in rural areas are twice as likely to live in substandard housing than rural owners, and rural renters are much more likely to face cost burden than rural owners.<sup>173</sup> The Section 515 Rural Rental Housing program has faced a 93% reduction in production since 1994.<sup>174</sup>

### **Prisoner Re-Entry**

North Carolina currently has an offender population of approximately 154,500 persons.<sup>175</sup> This includes inmates, parolees, and probationers. Approximately 27,600 prisoners were released in 2007.<sup>176</sup> In urban areas, it is estimated that 30 to 50% of formerly incarcerated persons become homeless. Research shows that preventing this homelessness reduces recidivism and improves public safety.<sup>177</sup>

Former prisoners face a number of barriers to accessing housing: lack of family assistance, lack of funds, exclusion from public housing, lack of transportation, insufficient transitional housing options. The

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<sup>168</sup> Poverty in Rural America. Housing Assistance Council. June 2006.

<sup>169</sup> State Fact Sheets. Economic Research Service. USDA. <http://www.ers.usda.gov/stateFacts/NC.HTM>

<sup>170</sup> Poverty in Rural America. Housing Assistance Council. June 2006.

<sup>171</sup> State Fact Sheets. Economic Research Service. USDA. <http://www.ers.usda.gov/stateFacts/NC.HTM>

<sup>172</sup> Ibid.

<sup>173</sup> Housing in Rural America. Housing Assistance Council. June 2009.

<sup>174</sup> Ibid.

<sup>175</sup> Sullivan, Nicole. "Housing a Significant Re-Entry Barrier" Presentation at the November 2009 North Carolina Affordable Housing Conference.

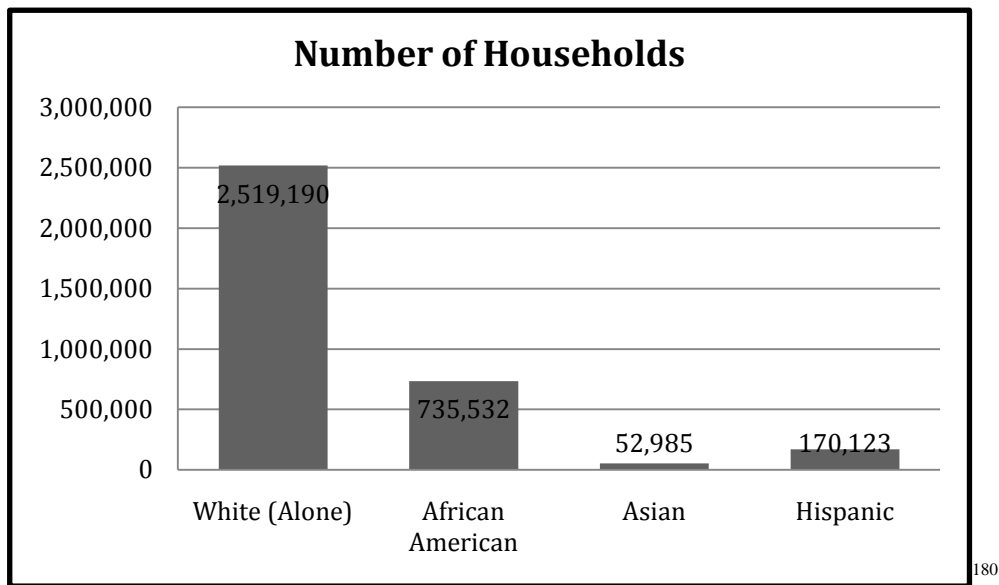
<sup>176</sup> Ibid.

<sup>177</sup> Ibid.

Department of Corrections does not currently have the funding to provide housing to released offenders.<sup>178</sup>

## HOUSEHOLD DEMOGRAPHICS

The state has approximately 2,519,190 white households, and 735,532 African-American households. There are 170,123 Hispanic households and 52,985 Asian households. North Carolina has very small numbers of American Indian, “some other race”, and “two-or-more-races” households.<sup>179</sup>



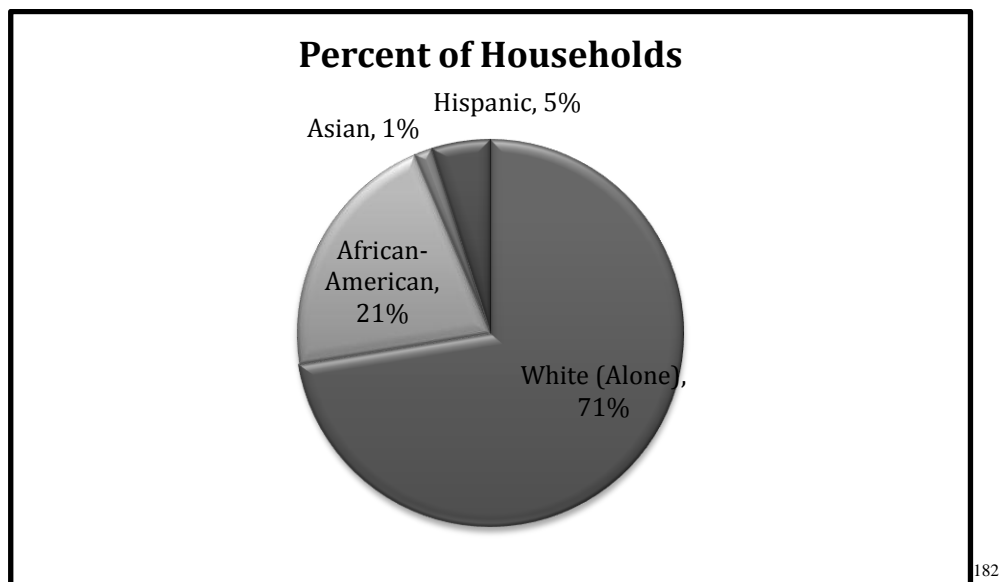
Seventy-one percent of North Carolina’s households are white alone; 21% are African American. Five percent are Hispanic and 1% are Asian. The remaining 2% of North Carolina’s households are American Indian, “some other race”, or “two-or-more-races” households.<sup>181</sup>

<sup>178</sup> Ibid.

<sup>179</sup> 2007 American Community Survey US Census Bureau.

<sup>180</sup> 2007 American Community Survey US Census Bureau.

<sup>181</sup> Ibid.



The table below shows the number of households in each income bracket by race.

Income <sup>183</sup>	\$0K-\$20K	\$20K-\$35K	\$35K-\$50K	\$50K-\$75K	\$75K+	Total
<b>White (Alone) households</b>	445,797	414,854	379,143	504,619	774,777	2,519,190
<b>African- American households</b>	247,465	161,242	111,874	116,308	98,643	735,532
<b>Asian households</b>	7,429	7,533	6,813	10,737	20,473	52,985
<b>Hispanic households</b>	38,416	45,495	32,993	28,828	24,391	170,123

The table below shows the following:

- 29% of all White households earn < \$30,000 annually
- 49% of all African-American households earn < \$30,000 annually
- 24% of all Asian households earn < \$30,000 annually
- 42% of all Hispanic households earn < \$30,000 annually
- 30% of all White households earn between \$30,000 and \$60,000 annually
- 29% of all African-American households earn between \$30,000 and \$60,000 annually
- 28% of all Asian households earn between \$30,000 and \$60,000 annually
- 36% of all Hispanic households earn between \$30,000 and \$60,000 annually

Based on this table, African American households have the highest percentage in the lowest income grouping.<sup>184</sup>

<sup>182</sup> Ibid.

<sup>183</sup> Tables B19001, B19001B, D, H, and I. 2007 American Community Survey. US Census Bureau.

<sup>184</sup> Tables B19001, B19001B, D, H, and I. 2007 American Community Survey. US Census Bureau.

<b>Percent of each race of total households by income group<sup>185</sup></b>	<b>\$0K-\$20K</b>	<b>\$20K-\$35K</b>	<b>\$35K-\$50K</b>	<b>\$50K-\$75K</b>	<b>\$75K+</b>
<b>Percent of White (Alone) households</b>	18%	16%	15%	20%	31%
<b>Percent of African-American households</b>	34%	22%	15%	16%	13%
<b>Percent of Asian households</b>	14%	14%	13%	20%	39%
<b>Percent of Hispanic households</b>	23%	27%	19%	17%	14%

The next table shows the racial composition of each income group; this varies from the overall racial composition of the state. For example, North Carolina is 71% white, but 59% of households earning less than \$20,000 are white. Twenty-one percent of North Carolina's households are African American, but 33% households earning less than \$20,000 are African American. These trends are also true for the \$20,000-\$30,000 income bracket, where African American households make up 26% of the households in that range. For households earning \$60,000-\$75,000, 77% are white and only 16% are African American. Asian households, at 2% overall of North Carolina households, are under-represented at the lower income brackets of \$0-\$20,000, \$20,000-\$30,000, and \$30,000-\$45,000. Hispanic households, at 5% of North Carolina's households are over-represented in the \$20,000-\$30,000 and \$30,000-\$45,000 bracket.<sup>186</sup>

<b>Percent of total households at each income level<sup>187</sup></b>	<b>\$0K-\$20K</b>	<b>\$20K-\$35K</b>	<b>\$35K-\$50K</b>	<b>\$50K-\$75K</b>	<b>\$75K+</b>
<b>White (Alone)</b>	59%	65%	70%	75%	83%
<b>African- American</b>	33%	25%	21%	17%	11%
<b>Asian</b>	1%	1%	1%	2%	2%
<b>Hispanic</b>	5%	7%	6%	4%	3%

The table below shows the number of households by race and tenure (owner-occupied or renter-occupied).

<b>Race and Tenure<sup>188</sup></b>	<b>Owner-Occupied</b>	<b>Renter-Occupied</b>
<b>White Alone Householder (Not Hispanic or Latino)</b>	1,911,497	607,693
<b>Black or African American Alone Householder</b>	367,071	368,461

<sup>185</sup> Ibid.

<sup>186</sup> Ibid.

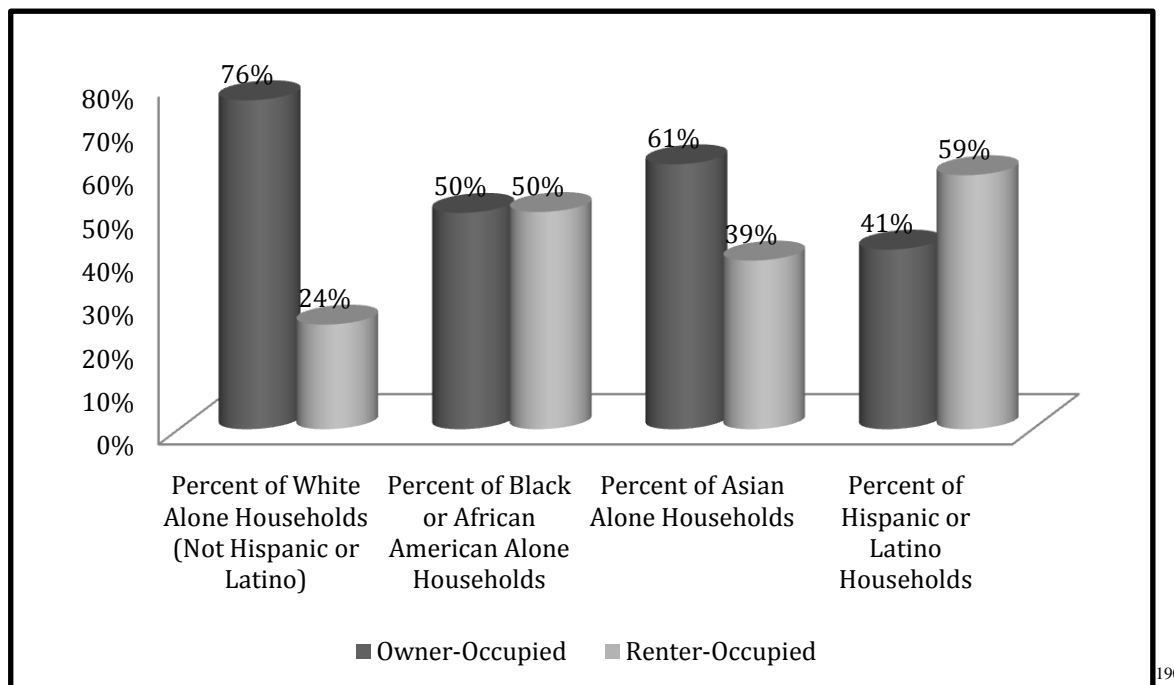
<sup>187</sup> Ibid.

<sup>188</sup> Tables B25003 B, D, H, and I. 2007 American Community Survey. US Census Bureau.



<b>Asian Alone Householder</b>	32,378	20,607
<b>Hispanic or Latino Householder</b>	70,470	99,653

In 2007, 76% of White households were homeowners, 50% of African- American households were homeowners, 61% of Asian households were homeowners, and 41% of Hispanic households were homeowners.<sup>189</sup>



As the above table and chart clearly demonstrate, a significant majority of white households are homeowners and a majority of Asian households are homeowners. Half of all African American households and 41% of Hispanic households are homeowners. White and Asian households have the highest homeownership rates and Hispanic households have the lowest homeownership rates.

## C. HOMELESS NEEDS

Section 91.305c Homeless Needs: *“The plan must provide a concise summary of the nature and extent of homelessness (including rural homelessness and chronically ill homeless persons) within the state, addressing separately the need for facilities and services for homeless individuals and homeless families with children, both sheltered and unsheltered, and homeless subpopulations, in accordance with a table prescribed by HUD. This description must include the characteristics and needs of low-income individuals and families with children (especially extremely low-income) who are currently housed but threatened with homelessness. The plan must also contain a narrative description of the nature and extent of homelessness by racial and ethnic group, to the extent information is available.”*

<sup>189</sup> American Community Survey 2007 Tables B25003A, B, D, I.

<sup>190</sup> Ibid.

## Overview and Analysis of Homeless Needs in North Carolina

This section discusses the needs of individuals and families who are homeless or threatened with homelessness. It includes the sheltered and unsheltered homeless as well as homeless subpopulations.

### Homelessness in North Carolina

At its root, homelessness in rural and urban communities is associated with poverty and the lack of decent affordable housing with access to services. Housing data helps clarify the challenges of ending homelessness in North Carolina.

The most common definition of homelessness (based on the U.S. Department of Housing and Urban Development's (HUD) McKinney-Vento Homeless Assistance Act) includes only those persons who are on the streets or in shelters and persons who face imminent eviction (within a week) from a private dwelling or institution and who have no subsequent residence or resources to obtain housing. Homeless service providers in North Carolina find that this definition works well in large, urban areas but has limitations in many communities, especially in rural areas. Communities without shelters find that households are more likely to live with relatives in overcrowded or substandard housing.

### Homeless Count

In January 2009, the North Carolina Interagency Council for Coordinating Homeless Programs (ICCHP) coordinated a statewide Point-In-Time (PIT) count of homeless persons. The Council asked willing homeless service agencies to enumerate the numbers of persons served by their programs on January 28, and several communities augmented this information with a street count of persons sleeping outside. In addition, when critical demographic or descriptive information was known, agencies were asked to report this information in aggregate form. The survey was conducted in more than 63 counties and indicated a total of 12,746 homeless adults and children. It provides a conservative, but defensible, unduplicated count of people who were homeless in our state on one given night. As shown in the Housing Gap Analysis Chart, there is a need for 4,332 additional beds in the state, reported by the thirteen regional Continuum of Care (CoC) groups. CoC's are comprised of various homeless service providers and while they serve the homeless the actual need may be much higher. The greatest need is for 2,894 permanent supportive housing units. See the Housing Gap Analysis Chart to review the unmet needs and the Continuum of Care Homeless Population and Subpopulations Table to review the 2009 PIT count.

The PIT count continues to be a critical step in quantifying the size and scope of homelessness in North Carolina, and in measuring the success of measures aimed at reducing homelessness in our state. In 2004, the ICCHP guided the development of the Carolina Homeless Information System (CHIN). CHIN is North Carolina's centralized homeless management information system (HMIS). It is designed as a computerized, data collection tool to aggregate client-level information, over time, on characteristics, service needs, and services utilization of individuals experiencing homelessness. CHIN is a cost effective solution for agencies that are required to participate in a HMIS. CHIN adheres to all Federal Register guidelines governing homeless management information systems. Unfortunately, not all homeless service providers use CHIN, thus the Point-In-Time count is the best tool to document homelessness in N.C.

In FY 2007-2008, 136 Emergency Shelter Grant (ESG) funded facilities in 53 counties reported a duplicated count of 40,366 homeless people served. Facilities funded included 24-hour emergency shelters, day-only shelters, night-only shelters, domestic violence shelters, transitional housing facilities, youth facilities and interfaith hospitality networks. Of the total homeless people served, 63% (25,548) were single adults. Sixty-seven percent (25,548) of all single individuals served were male adults.

Both the PIT count and Emergency Shelter Grant annual reports also document the prevalence of disabilities among homeless people. Approximately 30 percent to 40 percent of homeless people are known to have mental illness, and an even higher percentage suffer from addiction disorders. Another factor reported from both sources is domestic violence, with approximately 10 percent of all homeless people, and a much higher rate among families having a history of domestic violence.

### Housing, Homeless and Special Needs

#### **Housing Gap Analysis Chart**

		Current Inventory	Under Development	Unmet Need
<b>Individuals</b>				
	Emergency Shelter	2594		462
Beds	Transitional Housing	2593		630
	Permanent Supportive Housing	1325		1987
	Total	6512		2981
<b>Persons in Families With Children</b>				
	Emergency Shelter	1331		227
Beds	Transitional Housing	1887		217
	Permanent Supportive Housing	1034		907
	Total	4252		1351

#### **Continuum of Care: Homeless Population and Subpopulations**

<b>Part 1: Homeless Population</b>	<b>Sheltered</b>		<b>Unsheltered</b>	<b>Total</b>
	<b>Emergency</b>	<b>Transitional</b>		
Number of Families with Children (Family Households)	462	502	274	1238
1. Number of Persons in Families with Children	1415	1344	862	3621
2. Number of Single Individuals and Persons in Households without Children	3426	2122	3577	9125
(Add lines Numbered 1 & 2 Total Persons)	4841	3466	4439	12,746
<b>Part 2: Homeless Subpopulations</b>	<b>Sheltered</b>		<b>Unsheltered</b>	<b>Total</b>
a. Chronically Homeless	945		397	1342
b. Seriously Mentally Ill	1105			
c. Chronic Substance Abuse	2536			
d. Veterans	742			

e. Persons with HIV/AIDS	159	
f. Victims of Domestic Violence	883	
g. Unaccompanied Youth (Under 18)	63	

\*\*Based on January 28, 2009 Statewide PIT Count minus data from twenty-nine agencies

### North Carolina Homeless Facilities

As is the case in many other states, there is a lack of permanent supportive housing in North Carolina. As documented in the Housing Gap Analysis chart, most communities report the need for additional permanent supportive housing. Through the McKinney-Vento Homeless Assistance Act funds, HUD is encouraging grantees to create more permanent housing for the homeless and less emergency shelters. This is most evident in HUD's new Rapid Re-Housing and Homeless Prevention Program (HPRP). The Rapid Re-Housing model which generally includes short to medium term rental assistance and access to services is seen across the country as a best practice. North Carolina would like to follow this best practice and continue to move the homeless into permanent supportive housing.

The North Carolina Coalition to End Homelessness compiled a state-wide count of emergency shelters, transitional facilities, and permanent supportive housing. The approximate total count of all three types of facilities is 585. Sixty-two counties have some type of homeless facility and many have multiple types including emergency shelters, transitional and permanent housing. Thirty-eight, mostly rural counties, do not have any type of homeless facility.

### Services for the Homeless

The state and communities who are engaged in 10-Year Plans to End Homelessness are looking for new strategies to serve homeless individuals with histories of cycling through public systems. These strategies would save public systems money and result in long term benefit to homeless individuals and families. The Housing Support Team (HST) model which provides housing coordination support to the homeless has proven to be cost effective. North Carolina completed a two year pilot project of Housing Support Teams in three different communities. The HST provided outreach to homeless individuals and families and assisted them with placement into permanent housing through non-clinical services. After the first year, evaluation of two of the three HST's cases revealed a 19% service cost savings. After entering the program, HST participants in both counties had lower costs for incarceration in jails and prisons, stays in homeless shelters, emergency room and inpatient hospitalizations, and substance abuse services.

### Homeless Families with Children

Homelessness is a devastating experience for families. It disrupts virtually every aspect of family life, damaging the physical and emotional health of family members, interfering with children's education and development and, frequently, resulting in the separation of family members. The scarcity of family shelters in the state causes a good number of homeless families to seek temporary shelter with friends, other family members, in their vehicles, or in parks or campgrounds.

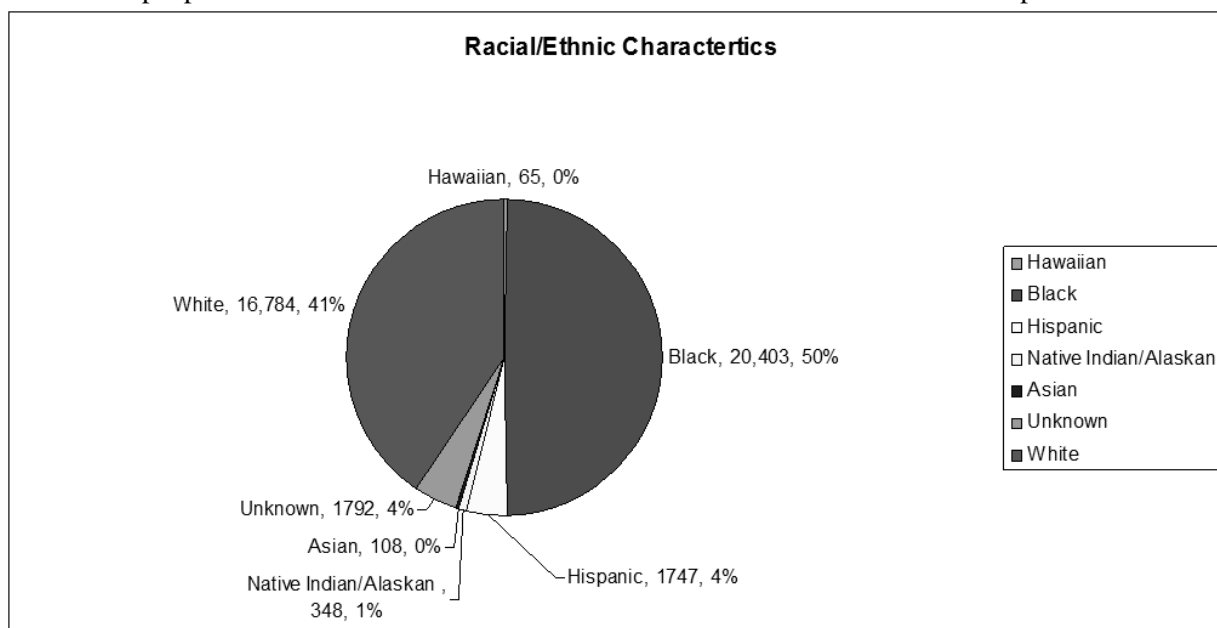
In FY 2007-2008, the 136 ESG-funded facilities reported a duplicated count of 4,938 families served. These families included 4,871 adults and 7,995 children. Of the adults in families served, 91% (6,446) were females. Adult males in families numbered 606, or only 9% of total adults in families served. Of the 7,995 children in families served, 49% were males and 51% were females.

The January 28, 2009 Point-In-Time count identified 1,238 families with 3,621 members homeless. Of total family members counted, 375 were identified as male adults, 1,601 were identified as female adults

and 2,976 were children. Of the 3,621 members of homeless families identified in the Point-In-Time count, 1,415 were in emergency shelters, 1,344 were in transitional housing, and 862 were unsheltered.

### Racial Breakdown of Sheltered Homeless

The following chart is a racial breakdown of homeless served by ESG grantees only for FY 2007-2008. The race of people is not counted in the Point in Time count and therefore cannot be reported.



Although minorities comprise approximately 29% of North Carolina's population<sup>191</sup> they made up over 55% served by ESG grantees in FY 2007. African-Americans totaled 20,403 or 50% of total homeless people served. A total of 16,784 Caucasians, or 41% of the total number of persons served, used a homeless facility operated by an ESG grantee in FY 2007.

### Non-sheltered Homeless

Homeless people have various reasons for not seeking shelter in a conventional emergency facility. Some are denied access to a shelter because no bed space is available. Others have been suspended or banned from a shelter due to violations of the shelter's code of conduct. In some areas, as previously discussed, there may be no emergency shelter in a particular area or the only emergency shelter may be designated only for a specific subpopulation of the homeless, such as the victims of domestic violence/sexual assault or single adult males. Other homeless people may not seek shelter because they do not like shelter rules and restrictions. In these situations, homeless people find shelter in makeshift camps in wooded areas, under bridges or overpasses, in abandoned or condemned buildings, abandoned vehicles or literally on the streets.

The 2009 Point-In-Time count indicated 4,439 unduplicated unsheltered homeless individuals.

### Persons at Risk for Homelessness

<sup>191</sup> U.S. Census 2000.

Poverty is the single most common attribute of the homeless. Households living in poverty comprise the communities that homeless individuals and families transition out of and back into. Although the analysis of homeless sub-populations is important for the planning and delivery of appropriate services, it is also important to recognize the sheer number of households that are vulnerable to homelessness.

Individuals returning to their communities from various institutional facilities where the lack of affordable housing compromises discharge planning constitute another population at risk of homelessness. For example, in the 2009 PIT count, 718 people cited their release from a behavioral health system and 675 from a criminal justice system. In FY 2007, 1,342 of the duplicated homeless count served by ESG-funded facilities cited their release from prison as the primary cause of their homelessness. Upon their release from incarceration, many ex-offenders find that their prison record makes it difficult to obtain employment and housing. Sex offenders, in particular, find employment and housing difficult to secure.

## Homeless Subpopulations

### *Persons with Severe Mental Illness*

National studies have indicated that about a third of people who are homeless have a serious mental illness.<sup>192</sup> Aggressive outreach is often needed to bring these individuals into the service delivery system. Once engaged, homeless persons with a mental illness usually need a wide range of psychiatric and social support services. Structured, supportive permanent housing is needed to establish stability and acquire the skills of independent living so that these individuals have the best possible opportunity to maintain their lives within their home community.

The 2009 Point-In-Time count indicated 1,105 unduplicated homeless individuals self reported having a severe mental illness. In 2007, the ESG funded facilities reported a duplicated count of 2,555 individuals who self reported having a severe mental illness.

### *Persons with Chronic Substance Abuse*

Alcohol and substance abuse addictions have propelled large number of persons into homelessness. Still others have developed patterns of alcohol and substance abuse as a way of coping with life as a homeless person. Many believe that untreated substance use disorders may well be the primary contributing cause of homelessness in the country.<sup>193</sup>

People with alcohol and other substance addictions require a full array of comprehensive services including treatment, transitional and halfway houses for both individuals and family members, and affordable permanent housing with appropriate and consistent after-care.

The 2009 Point-In-Time count indicated 2,532 unduplicated homeless individuals self-reported having chronic substance abuse. In FY 2007, the ESG funded facilities reported a duplicated count of 6,149 individuals who self-reported having substance abuse issues.

### *Chronically Homeless*

The U.S. Department of Housing and Urban Development defines a “chronically homeless” person as an unaccompanied homeless individual with a disabling condition who has either been continuously homeless for a year or more, or has had at least four episodes of homelessness in the past three years. In

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<sup>192</sup> Online Am J Psychiatry. Dr. David P. Folsom. Jan 2005.

<http://ajp.psychiatryonline.org/cgi/reprint/162/2/370.pdf>

<sup>193</sup> Caton, C., Wilkins, C., Anderson, J. (2007) People who experience long term homelessness: Characteristics and interventions. *The 2007 National Symposium on Homelessness Research*.

an effort to maximize federal resources available to local communities in North Carolina, twelve communities have developed Mayorally-endorsed 10-Year Plans to End Homelessness. These plans focus efforts on federal priorities regarding people who have experienced chronic homelessness. The intent of these plans is to improve the access of the chronically homeless to safe, permanent, affordable housing and coordinated support services.

The 2009 Point-In-Time count identified 1,342 unduplicated individuals as chronically homeless. Of those adults who are chronically homeless, 945 are sheltered and 397 are unsheltered. In FY 2007, the ESG funded facilities reported a duplicated count of 4,083 individuals who are considered chronically homeless.

### *Persons with HIV/AIDS*

Lack of affordable housing is a critical problem facing an ever-increasing number of people living with Acquired Immunodeficiency Syndrome (AIDS) or other illnesses caused by the Human Immunodeficiency Virus (HIV). People with HIV/AIDS may lose their jobs because of discrimination or because of the debilitating effects of the disease and subsequent hospitalizations. They may also find their incomes drained by the high cost of health care, especially medications.

The 2009 Point-In-Time count identified 159 unduplicated individuals as having HIV/AIDS.

### *Victims of Domestic Violence*

Although domestic violence shelters provide necessary and immediate shelter for the victims of domestic violence, such shelter is temporary and in such demand that clients are often allowed to stay no more than 30 – 60 days. Women with children often receive priority in admission to domestic violence shelters. However, this results in some battered single women living in general population shelters or on the street and, thus, being left even more vulnerable to continued homelessness or to a return to an abusive situation. Lack of affordable permanent housing and transitional housing, and long wait lists for public housing provide few viable choices for most victims of domestic violence.

The 2009 Point-In-Time count identified 883 unduplicated individuals as victims of domestic violence. In FY 2007, the ESG funded facilities reported a duplicated count of 7,160 victims of domestic violence.

### *Youth*

Homeless youth are individuals under the age of 18 who lack parental, foster or institutional care. Causes of youth homelessness include disruptive home situations, including physical, emotional and/or sexual abuse, family member addiction or parental neglect, and/or strained relationships with parents and/or guardians. Residential instability can also contribute to youth homelessness. A history of foster care can lead to homelessness at an earlier age. Some youth living in foster care or in institutional or residential settings are released with no housing or income support. Few homeless youth are housed in emergency shelters because of lack of shelter beds for youth or shelter admission policies which do not allow male youth, particularly those 13 years of age and over, to be served. This policy is particularly devastating to families and can cause a family to resist entering the shelter system.

The 2009 Point-In-Time count identified 63 unduplicated unaccompanied homeless youth. In FY 2007, ESG funded facilities reported a duplicated count of 156 youth who identified themselves as a runaway, a victim of child abuse and neglect or as a juvenile delinquent who had been asked or who decided to leave their home.

### *Veterans*



Veterans are the one of the fastest growing homeless populations in the country. The most effective programs for homeless and at-risk veterans are community-based, peer support programs. These programs feature transitional and permanent supportive housing that supplies the camaraderie of living in a structured, substance-free environment with fellow veterans.

The 2009 Point-In-Time count identified 742 unduplicated homeless veterans.

### *Older Adults*

Like all homeless persons, older adults that are homeless are often in poor health, lack family support and have little financial resources. Homelessness provides limited access to regular medical care and medications, proper nutrition, hygiene, transportation and socialization and older adults may have to relinquish their independence and enter licensed facilities. Their concerns about being forced into an institutional setting may prevent some older adults from seeking assistance. While an allowable use under Emergency Shelter Grant regulations, currently there are no shelter facilities in North Carolina that specialize in serving older adults who are homeless. Therefore, older adults may not be well served by standard programming (employment readiness, etc.) Shelters that specifically served older adults would be able to tailor their programming to meet the different needs of older adults and better assist them in securing permanent affordable housing. In 2008 the Emergency Shelter Grant reported serving 2,788 persons over the age of 55. At the current time the Point in Time count does not collect age breakdowns for adults. Better information on the numbers, and needs of homeless older adults would facilitate better planning and programming.

## **D. OTHER SPECIAL NEEDS**

Section 91.305(d): *“(1) The state shall estimate, to the extent practicable, the number of persons who are not homeless but require supportive housing, including the elderly, frail elderly, persons with disabilities (physical, developmental, mental), persons with alcohol or other drug addictions, persons with HIV/AIDS and their families, and any other categories the state may specify, and describe their supportive housing needs.(2) With respect to a state seeking assistance under the HOPWA program, the plan must identify the size and characteristic s of the population with HIV/AIDS and their families within the area it will serve.”*

### **Overview**

North Carolina has a significant population in need of affordable housing and permanent supportive housing. North Carolina has a growing elderly or older adult population and a significant population with special needs. In 2007, 15% of the adult population aged 21-64 reported some kind of disability.<sup>194</sup> This is slightly higher than the national rate of 13%.<sup>195</sup> These rates suggest a need for supportive housing for persons with disabilities and older adults.

### **Older Adults (Elderly)**

#### **Housing**

North Carolina has over 692,000 older adult households of which 570,000 households own their homes and 122,000 households are renters.

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<sup>194</sup> American Community Survey 2007; US Census 2000; Kaiser State Health Facts 2007

<http://www.statehealthfacts.org/profileind.jsp?cat=11&rgn=35>

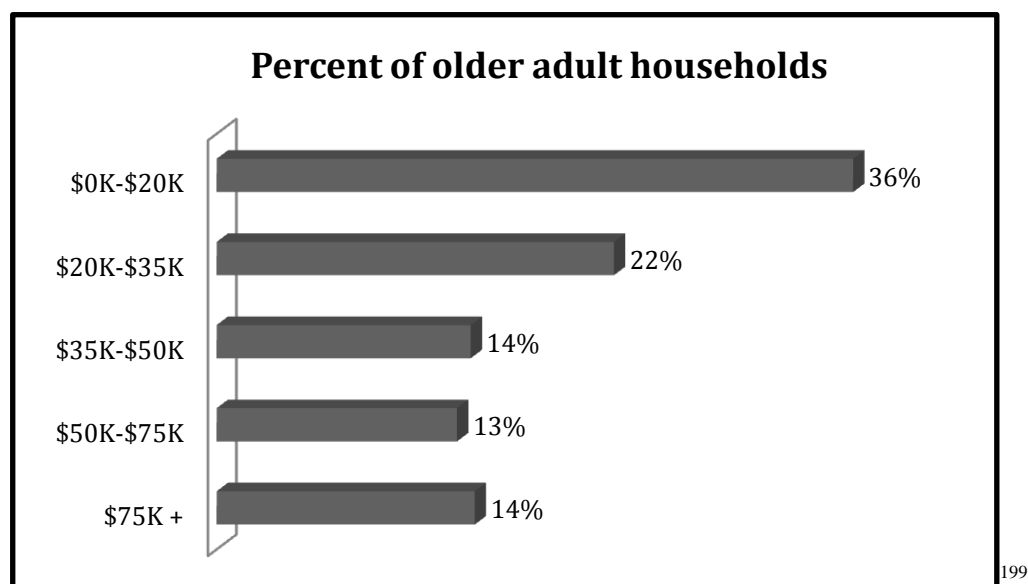
<sup>195</sup> Ibid.



Elderly Households (65+) and Tenure	Renter	Percent of renter households	Owner	Percent of owner households	Total Elderly Households	Percent of population
Number of households <sup>196</sup>	122,028	11%	570,191	24%	692,219	19%

Approximately 80% of older adult households own their home. All older adult households are 19% of the total households in the state, but 24% of the total owner households. Over half of all older adult households have incomes below \$30,000 and 185,000 households or 26% have incomes between \$30,000 and \$60,000.<sup>197</sup> The subsequent chart shows the income breakdown for the total number of households with a householder over 65 years of age.

Number of Older Adult Households by Income <sup>198</sup>	\$0K-\$20K	\$20K-\$35K	\$35K-\$50K	\$50K-\$75K	\$75K +	Total Older Adult Households
Householder 65+	246,607	153,971	98,455	93,155	100,031	692,219



Of the approximately 700,000 older adult households, 205,000 or 29% are cost-burdened. Over 150,000 older adult owner households pay 30% or more of their income for housing, and of that 150,000, 120,000 pay 35% or more of their income for housing. Of the 122,028 older adult renter households, 55,000 or 45% are cost burdened.

<b>Older Adult Owner Households Paying 30% or more of Income for Housing<sup>200</sup></b>	150,168
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<sup>196</sup> B25007. 2007 American Community Survey. US Census.

<sup>197</sup> Ibid.

<sup>198</sup> Table B19037. 2007 American Community Survey. US Census Bureau.

<sup>199</sup> Ibid.

<b>Older Adult Owner Households Paying 35% or more of Income for Housing</b>	120,593
<b>Older Adult Renter Households Paying 30% or more of Income for Housing<sup>201</sup></b>	55,026
<b>Older Adult Renter Households Paying 35% or more of Income for Housing</b>	45,708

There is little data available on frail older adults in North Carolina. In 2007, over 33% of persons over 65 said their health status was poor, and nearly 66% of adults over 65 do not participate in recommended levels of physical activity. Almost 180,000 persons over 65 were eligible for Medicaid in state fiscal year 2008.<sup>202</sup>

## Services

The North Carolina Division of Aging and Adult Services (DAAS) promotes independence and enhances the dignity of North Carolina's older adults, persons with disabilities, and their families, through a community-based system of opportunities, services, benefits, and protections; to ready younger generations to enjoy their later years; and to help society and government plan and prepare for the changing demographics.<sup>203</sup>

DAAS provides funding for home improvements, including security enhancements, minor home repairs, mobility and accessibility improvements affecting the home or areas adjacent to the home. In 2007, this service provided 1,592 seniors, aged 60 and older, an opportunity to remain in their home under safer and healthier circumstances, reducing the need for more expensive health care solutions. The number of people listed as waiting for services is 819. DAAS administers programs that serve older adults and helps connect them to needed services like Adult Day Care and Ombudsman programs, and many programs are administered through Area Agencies on Aging (AAA). AAA offices were established through the Older Americans Act and serve to facilitate and support the development of programs to address the needs of older adults in a defined geographic region. In North Carolina, AAAs are located within regional Councils of Government. These AAAs have functions in five basic areas: (1) advocacy; (2) planning; (3) program and resource development; (4) information brokerage; and (5) funds administration and quality assurance.<sup>204</sup>

These AAAs have HUD certified counselors on staff and provide HECM counseling; nonprofit housing counseling organizations also provide HECM counseling. Over 4,700 households received reverse mortgage counseling in North Carolina in FY 2008, based on HUD data. Approximately 3,600 obtained a Home Equity Conversion Mortgage (HECM) and 260 obtained a non-FHA reverse mortgage. Five hundred households decided not to obtain a HECM.

<sup>200</sup> Table B25093. 2007 American Community Survey. US Census Bureau.

<sup>201</sup> Table B25072. 2007 American Community Survey. US Census Bureau.

<sup>202</sup> NC Department of Aging and Adult Services. "Aging NC: 2008 Profile, Updated" and "Demographics of Aging in North Carolina."

<sup>203</sup> NC Division of Aging and Adult Services website. Retrieved on 12/9/2008. <http://www.ncdhhs.gov/aging/>

<sup>204</sup> NC Division of Aging and Adult Services website. Retrieved on 12/9/2008. <http://www.ncdhhs.gov/aging/>

## Persons with Mental Illness, Developmental Disabilities, and Substance Use Issues

The North Carolina Division of Mental Health, Development Disabilities, and Substance Abuse Services provides a large number of health services to consumers in need. For persons with mental illness, treatment, recovery, and support options are available at the community level as well as through state facilities.<sup>205</sup> Persons with mental illness are linked with services in their community through their Local Management Entities (LMEs). LMEs are located across the state and serve the entire state of North Carolina. LMEs are agencies of local government-area authorities or county programs that are responsible for managing, coordinating, facilitating and monitoring the provision of mental health, developmental disabilities and substance abuse services in the catchment area served. LME's responsibilities include offering consumers daily access to services, developing and overseeing providers, and handling consumer complaints and grievances.<sup>206</sup> The Division provides technical assistance to the 28 state funded Housing Specialists and coordinates statewide meetings of the LMEs' Housing Specialists. DMH/DD/SAS maintains collaborative relationships for the purpose of developing housing resources and residential options with linkage to community based supportive services. Persons with mental illness may also be eligible for Medicaid which provides financial support for mental health care services.<sup>207</sup>

For persons with substance use issues, the Division offers “services and supports to prevent, treat, reduce, or eliminate substance abuse issues.”<sup>208</sup> In addition, the Division contracts with North Carolina Oxford House (NCOH) to provide services to consumers recovering from substance use disorder in a low-cost, peer supportive living environment. Eight Oxford Houses were opened in FY2008-2009, bringing the current total number of NCOH to 129 located in 29 cities with a total of 961 beds. There are 95 Oxford Houses for men providing 713 beds; 32 Oxford Houses for women providing an additional 231 beds, and 2 Oxford Houses for women & children providing 17 beds.

For persons with developmental disabilities, services are available throughout their lives and the Division offers crisis services, day treatment, employment services, and personal assistance services. North Carolina also has a Community Alternatives Program for Individuals with Mental Retardation/Development Disabilities that provides consumers with even more options and enhances their ability to live in the community of their choice.<sup>209</sup> For persons with developmental disabilities, the state also provides state developmental centers and access to Medicaid funded services.<sup>210</sup>

In addition to these services, the North Carolina Housing Finance Agency and DHHS through the Housing 400 Initiative and Targeting Plans work to provide housing for persons with disabilities. Targeting Plans are a required element of any development under the Low Income Housing Credit program. All projects have to set aside 10% of their total units for persons with disabilities. The North Carolina General Assembly created the Housing 400 Initiative in 2006 to finance independent supportive apartments for persons with disabilities. Units must be affordable to persons living on supplemental security income (SSI). NCHFA develops the rental housing and DHHS provides rent

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<sup>205</sup> NC Division of Mental Health, Development Disabilities, and Substance Abuse Services.  
<http://www.ncdhhs.gov/mhddsas/statpublications/reports/annualreport07.pdf>

<sup>206</sup> NC Division of Mental Health, Development Disabilities, and Substance Abuse Services.  
<http://www.ncdhhs.gov/mhddsas/lmedirectory.htm#lmelist>

<sup>207</sup> NC Division of Medical Assistance  
<http://www.ncdhhs.gov/dma/medicaid/index.htm>

<sup>208</sup> NC Division of Mental Health, Development Disabilities, and Substance Abuse Services.  
<http://www.ncdhhs.gov/mhddsas/statpublications/reports/annualreport07.pdf>

<sup>209</sup> NC Division of Mental Health, Development Disabilities, and Substance Abuse Services.  
<http://www.ncdhhs.gov/mhddsas/statpublications/reports/annualreport07.pdf>

<sup>210</sup> NC Division of Mental Health, Development Disabilities, and Substance Abuse Services.  
<http://www.ncdhhs.gov/mhddsas/developmentaldisabilities/index.htm>

assistance that makes these units affordable. This Initiative has financed almost 900 units of independent supportive housing for persons with disabilities. Because of the current economic and state budget crisis, this Initiative may be discontinued because of a lack of funding.

## **Persons with Physical Disabilities**

The North Carolina Division of Vocational Rehabilitation Services offers “counseling, training, education, medical, transportation, and other support services” to persons with physical and/or mental disabilities to enable them to live more independently.<sup>211</sup> The Division of Vocational Rehabilitation, with 15 offices statewide, mostly provides employment services and/or Independent Living Services, which provide consumers with alternatives to institutionalization as well as greater support services.<sup>212</sup> In 2007, 5,164 consumers were served by the Division of VR through its home modification program; 2,476 consumers received services; 2,066 independent living plans of services were completed; 388 individuals transitioned out of nursing homes or were able to avoid going into a nursing home; 366 individuals received personal assistance services to assist in being able to remain in their homes.

In addition, the Division of VR manages Displacement Prevention Program (DPP) in partnership with NCHFA to provide accessibility modifications to assist low and very low income homeowners in preventing the imminent displacement of a household member with mobility limitations. Since 2002, more than 650 households have been served.

## **Persons with HIV/AIDS**

The Housing Opportunities for Persons with Aids (HOPWA) program was first funded for the state of North Carolina in 1992. It is administered by the AIDS Care Unit which is part of the Communicable Disease Branch in the Division of Public Health. It served the entire state until 1998 when Charlotte and Raleigh became eligible for a HOPWA formula allocation and the state’s service area was reduced. Charlotte serves five counties, and Raleigh serves 3 counties. Since 1998, the state’s grant serves people living with HIV/AIDS and their families who are outside of those metropolitan areas; this covers 92 of the 100 counties in NC. HOPWA provides a variety of services including tenant based rental assistance (TBRA); short-term rent, mortgage, and utility payments (STRMU); operating cost funds; supportive services funds; resource identification funds; and housing information services. The Ryan White program serves persons with HIV/AIDS in need of medical care.

In the past, HOPWA funded consortia that provided HOPWA services to regions. The federal Health Resources and Services Administration (HRSA) recently decided to discontinue the funding of consortia. Because of this change, HOPWA is changing to a patient management model and will be funding regional networks of care. The request for applications (RFA) is anticipated to be in July 2009. The various parties in each region are meeting, including medical, dental, and housing professionals as well as case managers, to make decisions about the needs of that region and inform HOPWA of those needs. The state continues to provide technical assistance and training to the regions.

According to the NC Epidemiologic Profile for HIV/STD Prevention and Care in October 2008, an estimated 33,000 people were living with HIV or AIDS in North Carolina (including individuals who may have been unaware of their infection) as of December 31, 2007. In 2007, 1,943 new individuals were reported with HIV disease (HIV/AIDS) in the state. Over recent years, North Carolina has averaged

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<sup>211</sup> NC Division of Vocational Rehabilitation  
<http://dvr.dhhs.state.nc.us/DVR/highlights.htm>

<sup>212</sup> NC Division of Vocational Rehabilitation  
<http://dvr.dhhs.state.nc.us/DVR/faqs/ilfaqs.htm>

over 1,900 new reports annually. According to the National AIDS Housing Coalition, up to 60% of all persons living with HIV/AIDS report a lifetime experience of homelessness or housing instability. Most HIV/AIDS clients are cared for through the Ryan White program. The Ryan White program receives a much larger federal appropriation than the HOPWA program. The HERSA Ryan White Part B allocation for 2007-08 received approximately \$35 million. The HUD HOPWA funding amount for 2007-08 was \$ 2.1 million.

Most persons with HIV/AIDS are living on Supplemental Security Income (SSI) or receive public assistance while awaiting determination of SSI eligibility. Many of this population require support services such as substance abuse and mental health treatment, transportation and case management. Through such supportive services as these they are able to maintain their health and quality of life.

During the state fiscal year July 1, 2007 through June 30, 2008 the HOPWA program assisted 2,427 households and with a total of 3,089 services. As mandated by HUD, the percentage of HOPWA clients in permanent housing who maintain housing stability will be 90% by 2012 and will increase by 1% each subsequent year. Improved drug therapies have reduced the number of AIDS deaths; therefore persons living with HIV/AIDS are living longer resulting in the need for more stable and affordable housing in North Carolina. During the state fiscal year (July 07-June 08) the HOPWA program had an increase of 59 permanent housing units. It is estimated that an additional 784 units will be needed by 2020.

## **D.LEAD-BASED PAINT HAZARDS**

Section 91.305(e): *“The plan must estimate the number of housing units within the State that are occupied by low-income families or moderate-income families that contain lead-based paint hazards, as defined in this part.”*

The U.S. Centers for Disease Control and Prevention (CDC) calls childhood lead poisoning “the most common environmental disease of young children.” Lead-based paint is the main source of lead in the home. Lead poisoning occurs when persons breathe contaminated paint dust or ingest lead contaminated paint chips. Among young children of low income families the risks are even higher; those families are more likely to live in older housing with peeling and chipping lead-based paint. Lead-based paint was used in over 38 million housing units until 1978, when it was banned for residential use.<sup>213</sup>

Sixty percent of the nation’s housing stock contains lead paint, but housing built prior to 1960 is at the greatest risk for having high levels of lead in its interior and exterior paint. HUD estimates that there will be over eighteen million pre-1960 units at risk of having lead paint hazards in 2010. Approximately twenty percent of these units are occupied by low-income families. Of that 20%, HUD estimates that 1.4 million will be come lead-safe because of HUD’s regulations about lead paint hazards for federally assisted housing. Over 2 million pre-1960 units with lead hazards occupied by low-income families remain.<sup>214</sup>

According to HUD, 24% of housing built between 1960 and 1979 contains lead based paint. Sixty-nine percent of all housing constructed between 1940 and 1959 contains lead based paint, and 87% of all

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<sup>213</sup> Renovate Right. Department of Housing and Urban Development.  
<http://www.epa.gov/lead/pubs/renovaterightbrochure.pdf>

<sup>214</sup> Eliminating Childhood Lead Poisoning: A Federal Strategy Targeting Lead Paint Hazards. President’s Task Force on Environmental Health Risks and Safety Risks to Children February 2000.  
[http://yosemite.epa.gov/ochp/ochpweb.nsf/content/leadhaz.htm/\\$file/leadhaz.pdf](http://yosemite.epa.gov/ochp/ochpweb.nsf/content/leadhaz.htm/$file/leadhaz.pdf)

housing constructed prior to 1940 contains lead based paint.<sup>215</sup> No state agency in North Carolina collects data on the number of housing units with lead based paint, so state level data is not available.

The Department of Environmental and Natural Resources (DENR) does collect state data on the number of children with lead poisoning. Of the 112,000 children (between 1 and 2 years of age) tested for lead poisoning in 2007, 706 had lead levels greater than 10 ug/dL; this is .6% of the children tested. Having lead levels of 10ug/dL means the child has a dangerous amount of lead in their blood.

<b>Childhood Blood Lead Surveillance Data<sup>216</sup></b>	<b>Target Population</b>	<b>Number Tested</b>	<b>Percent Tested</b>	<b>Lead &gt; 10 ug/DL</b>	<b>Percent &gt; 10 ug/dL</b>
State of North Carolina	250,686	112,556	44.9	706	.6

--data for children ages 1 and 2 years

The Department of Environmental and Natural Resources (DENR) is involved in a number of activities to reduce the harmful effects of lead based paint in North Carolina; an example is the Lead Based Paint Hazard Management and Preventive Maintenance Program. DENR has also sponsored the Childhood Lead Poisoning Prevention Program to address lead based paint issues in the state. A number of state agencies, universities, and non-profit organizations work together to achieve housing, health, and information/tracking goals that reduce lead poisoning and increase the information available on the issue. These programs are making a difference: the number of children with elevated blood levels has decreased significantly since 1997 and the number of children tested has increased.<sup>217</sup>

## CLOSING REMARKS

In North Carolina, many advancements have been made to improve the living conditions of its citizens. However, from the preceding Assessment, it can be seen that the continuing housing need far outweighs the resources available. The planned use of housing funds is detailed in the state's Strategic Plan. With the data provided in the Housing Market Analysis and this Housing and Homeless Needs Assessment, the state has attempted to project how the funds designated for housing will be used to address the unmet need in North Carolina.

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<sup>215</sup> Renovate Right. Department of Housing and Urban Development.  
<http://www.epa.gov/lead/pubs/renovaterightbrochure.pdf> These estimates are the best data available. No agency in North Carolina tracks housing with lead paint at this time.

<sup>216</sup> North Carolina Department of the Environment and Natural Resources Children's Environmental Health Branch. North Carolina Lead Surveillance Data. 2007.  
[http://www.deh.enr.state.nc.us/ehs/Children\\_Health/Lead/Surveillance\\_Data\\_Tables/surveillance\\_data\\_tables.html](http://www.deh.enr.state.nc.us/ehs/Children_Health/Lead/Surveillance_Data_Tables/surveillance_data_tables.html)

<sup>217</sup> NC Strategic Plan to Eliminate Lead Poisoning. July 2006. 1-20  
[http://www.deh.enr.state.nc.us/ehs/Children\\_Health/NCLeadEliminationPlanAndSummaryPage-Rev071406.pdf](http://www.deh.enr.state.nc.us/ehs/Children_Health/NCLeadEliminationPlanAndSummaryPage-Rev071406.pdf)

### **Public Input Comments**

As required the Consolidated Plan Partners involved the public through the public participation process as outlined in the approved Citizen Participation Plan. Attached are the comments received as a result about the Consolidated Plan and the Analysis to Impediments to Fair Housing Choice. All comments are maintained as required with N.C Public Records law as outlined in North Carolina General Statutes. Responses were draft collected and when comment is made about specific agency programs, the agency provided a written response.

As a continued effort to gain public input on the development of the Analysis to Impediments to Fair Housing Choice, a statewide survey was distributed from June 2010-July 30, 2010. A total of 848 responses were received. All information pertaining to public notice for the Analysis to Impediments to Fair Housing Choice was distributed in both English and Spanish languages to ensure access to persons with limited English proficiency. No additional requests were made for information to be provided in other languages.

Public Input Sessions for both the Analysis to Impediments to Fair Housing Choice and the Consolidated Plan were held across the state of North Carolina at the following locations

***Asheville, NC-*** North Carolina Community Development Association-Spring Conference May 23, 2010

***City of Greenville-*** Analysis to Impediments Input Session August 17, 2010

***HUD Field Office-Greensboro-*** Analysis to Impediments Input Session August 18, 2010

***City of Hickory-*** Analysis to Impediments Input Session, August 19, 2010

***Raleigh, NC –*** North Carolina Rural Center, Analysis to Impediments to Fair Housing Input Session August 20 2010

***Cherokee Reservation-***Eastern Band of Cherokee, Cherokee, NC August 30,2010

***Raleigh, NC-***North Carolina Housing Finance Agency-Housing Conference, Raleigh Convention Center, September 16 2010

***City of Rocky Mount, NC, City Hall-*** Consolidated Plan Input Session September 21 2010

***Raleigh, NC-***North Carolina Housing Finance Agency-Consolidated Plan Input Session, September 22 2010

***Webinar,*** September 30, 2010 from 1:00pm-4:00pm.

## **PUBLIC COMMENTS ON THE CONSOLIDATED PLAN AND ANALYSIS TO IMPEDIMENTS TO FAIR HOUSING CHOICE**

### **Asheville Consolidated Plan Input Session**

**Verbal Comment:** NCHFA needs to look to make it easier to use the Urgent Repair program and increase the amount allocated per home under the UR program.

**Response from NCHFA:** *We are redesigning some aspects of the Urgent Repair Program and it would be helpful if we had more context. If you don't have the details but know who made the comment, we could contact the organization directly.*

**Verbal Comment:** DCA needs to create a category for every eligible activity under CBDG and offer a special project category for public facilities. DCA should also remove the requirements that a person must go through Citizen Participation process in order to do a program amendment.

**Response from DCA:** *The Division of Community Assistance is continue to explore the needs of all programmatic areas over the next five years and is looking for ways to enhance opportunities for local governments to have full access to the array of activities associated with the CBDG program. DCA will continue to require that the Citizen Participation be required for it is a federal requirement and in addition, the Division considered continued opportunity for civic engagement at the local level to be a priority to ensure all citizens have access to participate effectively in the programmatic process.*

**Verbal Comment:** As a provider for persons with disabilities, the state needs to really look at ways for enforcement of persons who are discriminated against and also looks for ways to increase housing choice options for persons with disabilities.

**Response from Con Plan Partners:** *The state has identified various impediments as it relates to the fair housing choice for all persons in North Carolina. The Consolidated Plan partners will continue to ensure that programs are in alignment with the goals outlined in our Analysis to Impediments to Fair Housing Choice to enhance affordable housing options for all persons in North Carolina. All enforcement activity is the responsibility of the North Carolina Human Relations Commission, should a person with a disability feel discriminated against, we encourage individuals to proceed with the due process with the North Carolina Human Relations Commission. Should there be a specific agency in which you feel there should be additional enforcement within the HUD programs, you should contact that agency directly.*



## **City of Greenville AI Input Session**

**Verbal Comment:** The shelter receives various funding sources, however, it does not receive enough funds to really handle the demand of homeless persons. Also, with fair housing for persons who are homeless are constantly being discriminated against, the state needs to increase enforcement of the discrimination of landlords that don't want to take persons that have vouchers.

**Response from Con Plan Partners:** *The Consolidated Plan Partners recognize statewide that there is a growing need to assist shelters as well as other programmatic needs. The partners are looking at ways to enhance programs to enhance assistance to homeless shelters where the state can provide that assistance. All enforcement activity is the responsibility of the North Carolina Human Relations Commission, should a person with a disability feel discriminated against, we encourage individuals to proceed with the due process with the North Carolina Human Relations Commission. Should there be a specific agency in which you feel there should be additional enforcement within the HUD programs, you should contact that agency directly.*

**Verbal Comment:** So many programs deal with individuals but there are very few fair housing programs that deal with persons with criminal records. There can be a person who was previously incarcerated, and is working and living as a responsible citizen but can't get housing because they have a criminal record. Some agency and or funders should look at addressing this issue.

**Response from Con Plan Partners:** *The state recognizes that this is an issue. The consolidated plan partners will take this into consideration for 2011-15 strategic planning.*

**Verbal Comment:** NCHFA needs to continue to fund the tax credit projects, especially in the Greenville Area. What is noted is that there is no way that entitlement communities can address the needs for affordable housing without having programs such as tax credits. However, they need to continue to make the program more flexible for agencies to access the funding. Also, the Analysis to Impediments when looking at the data needs to look for ways to disseminate the data from large MSA to local jurisdictions so that it can be clearly identified who is really doing the predatory lending across the state.

**Response from NCHFA:** *Since 2000, there have been 10 tax credit projects funded in Greenville/Pitt County area with 8 different developers, both for-profit and non-profit. Two of the most recent awards included funding commitments from the City of Greenville. Most federal, state and local housing programs rely heavily on the leveraging of multiple sources of funds to create affordable housing and the housing credit program encourages leveraging of local funds. It is unclear from the comments as to what areas of the program should be made more flexible. NCHFA receives comments throughout the year on the QAP and would welcome suggestions on specific ways to improve the program. Because this is a statewide Analysis of Impediments, the focus was on identifying statewide impediments to fair housing, and the HMDA revealed lending constraints and predatory lending as impediments for the entire state. Looking at impediments at a more local level was not feasible for this report thus it does not include data on individual jurisdictions. It does provide denial rate data by census tract which could be*

*helpful, and HMDA data is available to the public for local jurisdictions to undertake their own analysis.*

**Written Comment:** Does HPRP funds prohibit assistance to families who are not working? If so, is it true that each locality/grantee had an opportunity to establish additional criteria for HPRP funds? With that being said, did any grantees consider using the components of the “Work First” model, where they can assist families who are seriously looking for work and/or participants in some type of employment program, such as, STRIVE? This week I have received calls from two separate individuals who are out of work. One individual was in a car accident that had her out of work for a year. Until now, she has paid her bills with assistance from friends and she is looking for work. The other individual has been out of work for approximately 3 months and needs assistance. Why can’t HPRP funds be used to assist them? I understand the “self sufficiency” concept, however, without some assistance, these families will no doubt become homeless.

**Response from NCHFA:** *The state’s portion of the federal HPRP program (not a program governed by the Consolidated Plan) is administered in North Carolina by the Office of Economic Recovery and Investment, with assistance for programmatic and financial administration from NC Housing Finance Agency and the Department of Health and Human Services. The federal HPRP program does not prohibit assistance to unemployed households. But local organizations administering the program do have the responsibility to develop priorities for how the program will operate in their area since demand far outstrips availability of funds. The state does not know what philosophies or models each of the local organizations considered as they identified their local priorities, but encouraged communities to develop priorities based on local needs. We are unable to speak to why any particular family was deemed ineligible for a local program without knowing the particulars of family’s situation, and would still be unable to do so if the program involved was an entitlement program. If you believe a program rule was violated in determining the family to be ineligible, we encourage you to submit a request to Martha Are at the Office of Economic Recovery and Investment.*

**Verbal Comment:** The state should consider doing more training and outreach for fair housing. Also, look for fund agencies who are addressing fair housing issues.

**Response from Con Plan Partners:** *The Consolidated Plan partners will outline within the annual action plans over the next five years, various training opportunities that will be offered statewide for fair housing. In addition, the Consolidated Plan partners will work together to develop training to assist an agency in applying to become a FHIP through the U.S Department of Housing and Urban Development when that funding become available.*

**Verbal Comment:** Someone needs to do something about all public housing authorities that get away with the most fair housing violations there are. For these agencies to be funded by HUD, they lack oversight to ensure that residents are being treated fair.

**Response from Con Plan Partners:** *NC does not have any state managed public housing authorities. All public housing authorities have direct oversight from the U.S Department of Housing and Urban Development. Any issues as it relates to fair housing and or any oversight issues should be directed to the federal agency that has that authority.*

**Verbal Comment:** The state needs to do more to help establish FHIPs.

**Response from Con Plan Partners:** *The Consolidated Plan partners will work with non-profit agencies as part of addressing the indentified impediment to help develop a non-profit's capacity to apply for HUD funding directly to become a FHIP over the next five years. This has been identified as an impediment in the Analysis to Impediments to Fair Housing Choice Study and the agencies have address this need in the annual action plan for 2011.*

**Verbal Comment:** Why do state agencies, specifically the consolidated plan partner continue to fund local governments who do not perform as they are required?

**Response from Con Plan Partners:** *Each of the Consolidated Plan Partners has plans for monitoring and ensuring compliance in their own programs. These plans may include elements such as site-visits, file reviews, interviews with residents, and reviews for compliance with federal and state regulations (such as Davis-Bacon and Fair Housing requirements). The monitoring plans vary by program and funding source. Each partner ensures compliance accordingly for any grantee. Should performance and or compliance issues arise, each agency responds accordingly as guidelines and regulations allow agencies to do so.*

#### **City of Greensboro Input Session ( HUD Field Office-Greensboro)**

**Verbal Comment:** The partners need to look for ways to offer funding for fair housing agencies to really work to address the problems of fair housing. An indentified problem is that so many fair housing agencies don't have funds to really make an impact on fair housing issues.

**Response from Con Plan Partners:** *The consolidated plan partners will work to develop training to assist non-profits in obtaining the capacity to apply for FHIP funding from HUD when the funds become available for HUD. Each individual agency has mechanisms in which they require grantees to address fair housing. Any additional funding for fair housing from individual consolidated plan agencies, will be addressed on an agency level given priorities of that particular agency.*

**Verbal Comment:** Partners need to work with various agencies to establish a FHIP for North Carolina.

**Response from Con Plan Partners:** *The consolidated plan partners will work to develop training to assist non-profits in obtaining the capacity to apply for FHIP funding from HUD when the funds become available for HUD.*

#### **City of Hickory Input Session**

**Verbal Comment:** DCA needs to look at giving grantees more money to address housing in general. The cost to rehab a house has gone up but not the allocation. Which creates situations in

which the local government can't afford to work with someone who may have lead in their home. For example, if there is a street that the CDBG program wants to do, the local government may have money to rehab all the homes, but will have to exclude homes with lead because of the cost. DCA needs to look at increasing its allocation for rehab activities.

**Response from DCA:** *The Division of Community Assistance continuously looks and review the funds made available for grantees to conduct activities under the CDBG program. Should any local government require additional technical assistance on how to adequately address meeting the financial obligations that are required in completing a CDBG activity, we encourage that grantee to contact the Division of Community Assistance for that technical assistance. The requirement of the CDBG program is that no homeowner and or rehabilitation activity be excluded solely on the basis of cost.*

**Verbal Comment:** With healthcare cost, many local governments, specifically social service agencies are now having to absorb persons with mental illness that need to be housed. Its very difficult to house these persons because often times, landlords do not understand the mental illness and are afraid that the person may damage the rental property or even hurt themselves. There is often time no real options available for this subpopulation and the state needs to look for ways to help these persons.

**Response from Con Plan Partners:** *The partners recognize as well does the state recognize that this is an on-going issue. The consolidated plan partners will continue to look for ways to enhance programs to serve this population over the next five years through various funding sources as outlined in the five year plan.*

**Verbal Comment:** The Emergency Shelter grants needs to look funding persons with substance abuse because not funding these types of facilities have a direct impact on communities and persons with substance abuse deserve the same treatment other are getting with these funds.

**Response from ESG:** *Thank you for your comment. The NC Office of Economic Opportunity has determined that the administrative rules (10A NCAC 97F .0102) which regulate the administration of the ESGP prohibit payment of ESGP funds to substance abuse rehabilitation centers. While OEO recognizes that substance abuse is a contributing factor related to homelessness, ESGP funds are limited and the NC ESGP's intent is to fund agencies whose primary goal is to service homeless persons. The administrative rule at issue (10A NCAC 97F .0102) has been in effect for many years, and OEO's decision to deny funding for licensed substance abuse rehabilitation centers was necessary to comply with the rule. The public was given an opportunity to comment prior to OEO's amendment to bring the 2006-2010 Consolidated Plan and 2010 Annual Action Plans in conformance with the administrative code and prior to actual funding decisions for FY 2010-2011. It is OEO's position that its actions complied with applicable laws.*

**Verbal Comment:** There needs to be more money for HOPWA programs. Many areas are seeing a need, but the operational cost and the administrative dollars are not increasing for HOPWA persons.

**Response:** *The 7% administrative cost is a HUD regulation (24 CFR 574.300). The HOPWA program has stated in the Consolidated Annual Performance and Evaluation Report for the past several years that the 7% cap was not sufficient.*

### **Raleigh AI Input Session- NC Rural Center**

**Verbal Comment:** How does the state address entitlements that do not have fair housing organizations?

**Response from Con Plan Partners:** *The state does not require entitlements to have fair housing organizations, if we understood more of the context of the comment we could respond more accurately. Fair housing implementation in HUD entitlement communities are monitored directly by HUD and not by a state agency.*

**Verbal Comment:** The partners should look for ways to not just look at one issue as it relates to fair housing, but to also look at other factors of fair housing. In the study titled Pathway Home, the City of Asheville, looked at the impact of workforce housing and located housing near places where people work. The state needs to look at all aspects of fair housing to have more agencies at the table to develop a real approach to getting this information out to the public and develop viable solutions.

**Response from Con Plan Partners:** *We do recognize that there is a need for citizens to work closer to places of employment in order to reduce commuting times. The partners will continue to facilitate on-going discussions for civic engagement for local governments and local communities to take an active approach in dealing with workforce housing.*

**Verbal Comment:** There has been lots of discussion with NCCDA partners about the requirement that DCA has for the local governments for fair housing plans and activities. The activities really don't address the actual fair housing needs or the impediments. DCA needs to look to revisit this for local governments.

**Response from DCA:** *North Carolina Division of Community Assistance as outlined and described in grant agreements have set forth requirements for fair housing. Plans were revised in 2010 that added additional requirements for CDBG grantees to ensure full compliance with the requirements of fair housing.*

### **Cherokee Analysis to Impediments to Fair Housing Choice**

**Verbal Comment:** In the western part of the state more attention needs to be given to the Indian Housing Authority. Persons living in the IHA's can't port out like other persons in regular public

housing authorities. In addition, there is not enough affordable rental housing available to persons living on the reservations. The state should advocate to HUD more for more funding for Indian Housing Authorities and also advocate to address the policies that are impediments for persons to obtain not only housing options that receive Section 8 vouchers on Indian Housing Authorities, but also advocate for policies to become more flexible to allow persons to port out when needed.

**Response from Con Plan Partners:** *In North Carolina there are no state managed housing authorities. The Consolidated Plan partners were feasible will work with the state agencies to continue to advocate for necessary regulatory changes in order to enhance public housing programs.*

**Written Comment:** This is the state's housing plan so it is appropriate that the focus is on programs offered through the state. The programs outlined in the PowerPoint presentation of September 16, 2010 at the Housing Works Conference are critical to addressing housing needs identified. It is also true that federal housing programs administered by 99 Public Housing Authorities (PHA's) across our state are impacting these same identified housing problems through direct rental and homeownership assistance. The Conventional Public Housing Program (CPH) and the Section 8 Housing Choice Voucher Program (HCV) currently assist more than 100,000 North Carolina families who are otherwise priced out of the housing market. My comment and request is that the Partners who are preparing the plan make a dedicated effort to contact the U.S. Department of Housing and Urban Development field office in Greensboro to collect and publish in the plan the quantified effect of these core HUD housing programs in North Carolina. To fail to do so would be a serious omission and would skew the plan in terms of resources to a degree unacceptable to all stakeholders. Please take this comment in the spirit in which it is offered; i.e., as constructive criticism. My hat is off to you in this important planning evaluation tool work.- **Ned Fowler, ED Northwestern Regional Housing Authority**

**Response from Con Plan Partners:** *As required in the consolidated plan, per 24 CFR Part 91, the Consolidated Plan partners have included public housing authority initiatives within the plan. The Consolidated Plan is submitted to the U.S Department of Housing and Urban Development as required. In North Carolina, there are not any “state managed” public housing authorities and the Consolidated Plan partner have responded accordingly to the public housing initiatives as defined in the Consolidated Plan regulation.*

### **NC Annual Housing Conference Input Session**

**Verbal Comment:** The consolidated plan needs to include sustainability/energy efficiency.

**Response from Con Plan Partners:** *Sustainability and energy efficiency is addressed in agency plans as well as in the non-housing community development portion of the five year plan. In addition, sustainability and energy efficiency is addressed where applicable by each agency in the annual action plans.*

**Verbal Comment:** Regarding HPP, concern about the condition for the program of “no fault of their own”. Many people are moving in with relatives.

**Response:** *The state statute creating the Home Protection Program and Loan Fund (HPP) states the Agency shall develop, implement and administer a program “... to assist North Carolina workers who have lost their job as a result of changing economic conditions in North Carolina when the workers are in need of assistance to avoid losing their homes to foreclosure.” This means “through no fault” of the homeowner or worker. If a worker/homeowner leaves their job voluntarily or is let go with cause, they are ineligible to apply for HPP assistance.*

**Verbal Comment:** Need to match the actual spending with the priorities set forth. Feel that this has not been necessarily the case in the past.

**Response from the Con Plan Partners:** *As required by 24 CFR Part 91, the Consolidated Plan partners have completed the required charts in the consolidated plan which outlines spending of the priorities identified over the next five years within the five year consolidated plan.*

**Verbal Comment:** Organizations need funds for capacity building. Housing counselors and developers are strapped for funds.

**Response from Con Plan Partners:** *Where feasible, each consolidated plan partner will continue to provide funds for capacity building. The Division of Community Assistance offers funding for capacity building to local governments working with non-profit agencies and NCHFA also provides funding for housing counseling. Each consolidated plan partner will continue to look for ways to address this need.*

**Verbal Comment:** Need special consideration for military areas in eastern North Carolina. Current households get displaced as troops come home because rent levels increase to the military rent levels (because of housing allowance provided). Also concern about housing for military families, having enough supply in the coming years.

**Response from Con Plan Partners:** *Within the consolidated plan, the state has identified the priority needs groups. Should persons that are in the military fall within the category of any other those priority groups, they will have to meet any eligibility to participate in individual agency programs that are providing funding for those priority groups. The military was not an indentified priority group or a special populations needs. Funding as required by HUD regulations requires that funding priorities be established around those high priority groups as set forth in 24 CFR Part 91.*

**Verbal Comment:** Want to know more about how transitional housing fits into the plan. How does transitional housing fit with ESG?

**Response from Con Plan Partners:** *Transitional housing is an activity being considered in the future by the ESG program. Any recommendations on how to better accommodate transitional housing using ESG funds should be addressed specifically to ESG.*

**Verbal Comment:** Need to have more outreach for population <30% AMI. They often have educational and marketing short comings.

**Response from NCHFA:** *Thank you for your comment, which we will take under consideration. The N.C. Housing Finance Agency's programs targeted to households <30% AMI include the Urgent Repair Program, Single Family Rehab Program and Supportive Housing Program. These are offered through local nonprofit organizations and local governments, which receive allocations of funds and handle outreach to consumers in their communities. We will explore with them the possibility including in the annual program training a group discussion identifying additional outreach techniques. Referrals to the 10% of Housing Credit apartments that are targeted to persons with disabilities <30% AMI are handled directly through local lead agencies.*

**Verbal Comment:** Will the numbers that are used in the analysis be updated?

**Response from NCHFA:** *Information will not be updated in the document but new numbers will be posted on the NCHFA website hopefully by the spring after the 2010 Census data is out).*

### **City of Rocky Mount Input Session**

**Verbal Comment:** The Consolidated Plan needs to recognize the needs for people to have access to fresh foods. In the eastern part of North Carolina obesity is a problem. People need to have access to fresh foods as well as have access to parks. It troubles me that the NC Division of Community Assistance does not make parks a priority for CDBG activities.

**Response from DCA:** *The Small Cities Program does fund parks through funds for comprehensive redevelopment. Specifically parks as a standalone project was not an identified high priority for the five year plan in order to meet the specific needs for priority groups with CBDG funds as required by 24 CFR Part 91. DCA will continue to look for ways and encourage partnerships at the local government levels to address all facets of community development needs.*

**Written Comment :**My observations as an employer in Rocky Mount, as a former state government employee, and as a current funder of economic development transformation work are as follows: First, the best way to address the housing challenges affecting North Carolina are to facilitate and assist in the creation of job opportunities for those people who struggle to afford decent and safe housing. It is my thought that more thorough integration of the CDBG plan with the work of other divisions of Commerce will improve that situation. Poverty alleviation is not a human services issue - it is a jobs issue. The CDBG plan should reflect this. Second, over



40 percent of our funding is specifically targeted at Tier 1 communities. If we were simply to continue to accept whatever applications came in and fund the best ones, it would be unlikely that Tier 1 communities would fare well. Geographic targeting is necessary. For that reason, I echo Susan Perry-Cole's comments about geographic focus of CDBG resources. Third, as an employer in Rocky Mount, we pay higher than average costs for power. Gov. Perdue's focus, and that of colleagues of yours in the Department, on green energy cannot come soon enough. There is no easy way out of the challenges facing many municipal power systems. But awareness of the issue is important. Power costs especially affect those low-income North Carolinians that DCA aims to serve, and does serve well. Thoughtful consideration of that issue in the plan is appreciated. Fourth, the CDBG plan should incent regional cooperation. The current planning and analysis process among Rocky Mount, Nash and Edgecombe Counties is a historic achievement. Ways to coordinate the state CDBG resources and those of entitlement communities should be explored. I may have had other remarks, but I believe that these were my main points. I appreciate the opportunity to be heard, and continue to pledge the cooperation of the Foundation that I serve with the Division and Department to bring about widely-shared prosperity in North Carolina. Dan Gerlach, President Golden LEAF Foundation.

**Response from DCA:** *The Department of Commerce is in the process of reviewing all programs in an effort to better coordinate resources and assistance to communities.*

**Verbal Comment:** First, I would like to say that I didn't receive notice of this meeting in a timely manner, I received notice on Friday and the event is today and that is not sufficient notice. As a CDC member, I should have been notified earlier than this. Secondly, I want to talk about the utilities here in Rocky Mount. My utility bill is over \$700.00 per month. This is not affordable. What about people who are not working in Rocky Mount, what do they do? The rate in which the people in Rocky Mount pay for utilities is more than any other area in the state of North Carolina. Keep in mind that Rocky Mount also has a high unemployment rate. Someone from the state needs to take a look at this. I also want to talk about energy. Energy recently released an RFP that was a horrible process. In review of the RFP they had technical assistance providers that you could not get any technical assistance from. They would pass you from person to person but would never assist you. If the state really wants to get the money out for Energy funds, then they need to look at this process. Here in Rocky Mount, there are businesses that pay over \$7,000 per month in utilities because of the high rates and the lack of energy efficiency. This effects the ability for business want to come to Rocky Mount because of these high rates. –  
*Summarized Comment from Joyce Dickens*

**Response from Con Plan Partners:** *Notice was sent out the all citizens and stakeholders as required by the North Carolina Citizen Participation Plan. The Energy Department is not a consolidated plan partner and due to regulation is not covered in the Consolidated Plan. However, consolidated plan agencies may work with the Energy Department in various ways throughout their programmatic initiatives. Any comments with a RFP that the Energy Department issued will be sent directly to the Energy Department, due to no oversight from the consolidated plan agencies. In addition, any concerns with utility rates also are not under the jurisdiction of any consolidated plan partners and the comments will be sent directly to the NC Utility Commission. We encourage you to send these comments to the responsible agencies.*

## **North Carolina Housing Finance Consolidated Plan Input Session**

**Verbal Comment:** With so many rules changing with the homeless, the state needs to look at a better way to coordinate with other state agencies that also have homeless funding. The HUD NOFA requires that the projects be submitted by November 4, and some other funders that are required in order for projects to be completed, don't release funding opportunities until after November 4. I am interested in knowing how the Consolidated Plan partners will address this in the future and better coordinate their process with HUD process?

**Response from Con Plan Partners:** *the Consolidated Plan Partners are continuing to look for ways to streamline funding opportunities to align with other opportunities with HUD funding and or other state agencies. This is at times a challenge due to various funding sources and agency timelines. We will continue to look for ways to streamline the funding streams when feasible.*

**Verbal Comment:** There is currently an unmet need for single occupancy units in Alamance County. The County receives lots of homeless money, but there is still an unmet need for persons who are single and are homeless. I want to acknowledge that this is an issue and hope that funders would look for ways to address this.

**Response from Con Plan Partners:** *The partners recognize an on-going need statewide as well as unmet needs for the homeless populations and will continue to offer funding according to what is regulatory in order to meet the needs of all homeless persons.*

## **New Hanover Consolidated Webinar Input Session Comments**

No Comments Received.

## **OTHER PUBLIC COMMENTS**

### **Emailed Comment, 10/14/2010**

The request of the N C Office of Economic Opportunity to not fund licensed substance abuse treatment facilities should be denied. The change violates United States Fair Housing Law because it discriminates against one disability-substance abusers. In reality, the state has already implemented this change in violation of due process. It is absurd to eliminate shelters that provide substance abuse treatment when drug abuse is a major cause for homelessness. Craig Thomas, Executive Director , Mary's House

**Response to Comment prepared by the ESG Program:**

*Thank you for your comment. The NC Office of Economic Opportunity has determined that the administrative rules (10A NCAC 97F .0102) which regulate the administration of the ESGP prohibit payment of ESGP funds to substance abuse rehabilitation centers. While OEO recognizes that substance abuse is a contributing factor related to homelessness, ESGP funds are limited and the NC ESGP's intent is to fund agencies whose primary goal is to service homeless persons. The administrative rule at issue (10A NCAC 97F .0102) has been in effect for many years, and OEO's decision to deny funding for licensed substance abuse rehabilitation centers was necessary to comply with the rule. The public was given an opportunity to comment prior to OEO's amendment to bring the 2006-2010 Consolidated Plan and 2010 Annual Action Plans in conformance with the administrative code and prior to actual funding decisions for FY 2010-2011. It is OEO's position that its actions complied with applicable laws.*

**Emailed Comment 10/14/10**

I am **opposed to the change in the state plan draft to the NCOEO which eliminates licensed substance abuse treatment centers from receiving emergency shelter grant funds**. This change is **discriminatory** if passed. In the facility on which I serve on the Board of Directors, the state and society save thousands of dollars for each client due to eliminating treatment of potential drug babies as well as moving these clients into assets of the society as they recover from this drug/alcohol induced illness. Also, the OEO has already approved on its own, and eliminated licensed substance abuse treatment centers on July 1, 2010 **which is in violation of the standing plan. Why is the state and NCOEO seeking to discriminate?** Tom C. Smith, Treasurer, Mary's House, Inc.

**Response to Comment prepared by the ESG Program:**

*Thank you for your comment. The NC Office of Economic Opportunity has determined that the administrative rules (10A NCAC 97F .0102) which regulate the administration of the ESGP prohibit payment of ESGP funds to substance abuse rehabilitation centers. While OEO recognizes that substance abuse is a contributing factor related to homelessness, ESGP funds are limited and the NC ESGP's intent is to fund agencies whose primary goal is to service homeless persons. The administrative rule at issue (10A NCAC 97F .0102) has been in effect for many years, and OEO's decision to deny funding for licensed substance abuse rehabilitation centers was necessary to comply with the rule. The public was given an opportunity to comment prior to OEO's amendment to bring the 2006-2010 Consolidated Plan and 2010 Annual Action Plans in conformance with the administrative code and prior to actual funding decisions for FY 2010-2011. It is OEO's position that its actions complied with applicable laws.*

**Emailed Comment 10/14/10**

I am opposed to the change in the state plan that eliminates licensed substance abuse treatment facilities from receiving an emergency shelter grant. In these hard economic times the rate of substance abuse has more than doubled. People are going through greater emotional instability just like our unstable economy. The spike in prescription drug use amongst first time users has greatly contributed to this recent increase. I am really concerned about this loss of revenue for the recovering community; because helping to house women and children whom are recovering from addiction is a miniscule expense compared to the cost of active addiction and the financial toll it takes on our healthcare system, the criminal justice system, not to mention the foster care.

When people are provided with assistance they are not only capable of reclaiming their lives but they become tax paying productive citizens who vote. These developments are most disconcerting. This is a testament to the importance of voting because it is most baffling that we have people who are working for the state who don't even know they are in violation of the US Fair Housing Law. Sincerely Concerned,Tanya Owens CSAC

**Response to Comment prepared by the ESG Program:**

*Thank you for your comment. The NC Office of Economic Opportunity has determined that the administrative rules (10A NCAC 97F .0102) which regulate the administration of the ESGP prohibit payment of ESGP funds to substance abuse rehabilitation centers. While OEO recognizes that substance abuse is a contributing factor related to homelessness, ESGP funds are limited and the NC ESGP's intent is to fund agencies whose primary goal is to service homeless persons. The administrative rule at issue (10A NCAC 97F .0102) has been in effect for many years, and OEO's decision to deny funding for licensed substance abuse rehabilitation centers was necessary to comply with the rule. The public was given an opportunity to comment prior to OEO's amendment to bring the 2006-2010 Consolidated Plan and 2010 Annual Action Plans in conformance with the administrative code and prior to actual funding decisions for FY 2010-2011. It is OEO's position that its actions complied with applicable laws.*

**Emailed Comment 10/15/10**

Dear Sir,I believe that homes like Marys' House serve woman in recovery and need support.As a past board member and involved as liason between Greensboro Optimist club and the home ,I know the success and growth that's happened and believe Marys' House is recognized as the best of its kind in our country.Somone needs to visit and make a study before wrongly categorizing this exceptional facility.Craig Thomas has made a huge difference in the lives of many women and children .No "crack" babies have been born to women in the care of Marys' House,saving our taxpayers a lot more than the money they need to opporate.Please check the success rate etc. before making any decision.I lack computer skill and apologize for that but want you to know I am sincere, Nancy Michaud

**Response to Comment prepared by the ESG Program:**

*Thank you for your comment. The NC Office of Economic Opportunity has determined that the administrative rules (10A NCAC 97F .0102) which regulate the administration of the ESGP prohibit payment of ESGP funds to substance abuse rehabilitation centers. While OEO recognizes that substance abuse is a contributing factor related to homelessness, ESGP funds are limited and the NC ESGP's intent is to fund agencies whose primary goal is to service homeless persons. The administrative rule at issue (10A NCAC 97F .0102) has been in effect for many years, and OEO's decision to deny funding for licensed substance abuse rehabilitation centers was necessary to comply with the rule. The public was given an opportunity to comment prior to OEO's amendment to bring the 2006-2010 Consolidated Plan and 2010 Annual Action Plans in conformance with the administrative code and prior to actual funding decisions for FY 2010-2011. It is OEO's position that its actions complied with applicable laws.*

**Email Comment 10/17/10**

*To whom it may concern: I oppose changes in the state plan draft proposed by the NC OEO that eliminates licensed substance abuse treatment centers as shelters. I feel it is discriminatory to those in such treatment shelters. Due process has been violated since the OEO eliminated substance abuse treatment centers on 07/01/2010 BEFORE the state plan had been changed.Licensure is not a reason to discriminate against those in these treatment centers; licensure insures standards are met and procedures are in place to provide maximum outcomes and thus make our tax dollars more effective.*

*Sincerely, Claude Burnham*

**Response to Comment prepared by the ESG Program:**

*Thank you for your comment. The NC Office of Economic Opportunity has determined that the administrative rules (10A NCAC 97F .0102) which regulate the administration of the ESGP prohibit payment of ESGP funds to substance abuse rehabilitation centers. While OEO recognizes that substance abuse is a contributing factor related to homelessness, ESGP funds are limited and the NC ESGP's intent is to fund agencies whose primary goal is to service homeless persons. The administrative rule at issue (10A NCAC 97F .0102) has been in effect for many years, and OEO's decision to deny funding for licensed substance abuse rehabilitation centers was necessary to comply with the rule. The public was given an opportunity to comment prior to OEO's amendment to bring the 2006-2010 Consolidated Plan and 2010 Annual Action Plans in conformance with the administrative code and prior to actual funding decisions for FY 2010-2011. It is OEO's position that its actions complied with applicable laws.*

**Emailed Comment 10/20/10**

My name is Cheryl Sandridge and as a recovering substance abuser with 12 years clean I am applaud at the discrimination that is being shown to people who are trying to make positive changes in their lives as well as the lives of their children. As a tax payer I can not think of a better cause to spend my tax dollars on than to help change the life of a family affected by substance abuse. Substance abuse is one of the number one causes of homelessness and the need for shelters. I have worked in substance abuse facilities. I can not believe that our state is going to approve such a bill that would exclude substance abuse facilities that serve homeless people from money that is designed to benefit homeless people. I am opposed to such a change in the amendment that allows for discrimination against homeless substance abusers. Cheryl Sandridge

**Response to Comment prepared by the ESG Program:**

*Thank you for your comment. The NC Office of Economic Opportunity has determined that the administrative rules (10A NCAC 97F .0102) which regulate the administration of the ESGP prohibit payment of ESGP funds to substance abuse rehabilitation centers. While OEO recognizes that substance abuse is a contributing factor related to homelessness, ESGP funds are limited and the NC ESGP's intent is to fund agencies whose primary goal is to service homeless persons. The administrative rule at issue (10A NCAC 97F .0102) has been in effect for many years, and OEO's decision to deny funding for licensed substance abuse rehabilitation centers was necessary to comply with the rule. The public was given an opportunity to comment prior to OEO's amendment to bring the 2006-2010 Consolidated Plan and 2010 Annual Action Plans in conformance with the administrative code and prior to actual funding decisions for FY 2010-2011. It is OEO's position that its actions complied with applicable laws.*

**Email Comment 10/21/10**

I am opposed to the change in the state plan that eliminates licensed substance abuse treatment facilities from receiving an emergency shelter grant. In these hard economic times the rate of substance abuse has more than doubled. People are going through greater emotional instability just like our unstable economy. The spike in prescription drug use amongst first time users has greatly contributed to this recent increase. I am really concerned about this loss of revenue for the recovering community; because helping to house women and children whom are recovering from addiction is a miniscule expense compared to the cost of active addiction and the financial toll it takes on our healthcare system, the criminal justice system, not to mention the foster care.

When people are provided with assistance they are not only capable of reclaiming their lives but they become tax paying productive citizens who vote. These developments are most disconcerting. This is a testament to the importance of voting because it is most baffling that we have people who are working for the State who don't even know they are in violation of the US Fair Housing Law. Sincerely Concerned, Tanya Owens CSAC

**Response to Comment prepared by the ESG Program:**

*Thank you for your comment. The NC Office of Economic Opportunity has determined that the administrative rules (10A NCAC 97F .0102) which regulate the administration of the ESGP prohibit payment of ESGP funds to substance abuse rehabilitation centers. While OEO recognizes that substance abuse is a contributing factor related to homelessness, ESGP funds are limited and the NC ESGP's intent is to fund agencies whose primary goal is to service homeless persons. The administrative rule at issue (10A NCAC 97F .0102) has been in effect for many years, and OEO's decision to deny funding for licensed substance abuse rehabilitation centers was necessary to comply with the rule. The public was given an opportunity to comment prior to OEO's amendment to bring the 2006-2010 Consolidated Plan and 2010 Annual Action Plans in conformance with the administrative code and prior to actual funding decisions for FY 2010-2011. It is OEO's position that its actions complied with applicable laws.*

**Emailed Comment 10/28/10**

Ladies and Gentlemen:

I would like to register my opposition to the change in the state plan draft proposed by the NC OEO that eliminates licensed substance abuse treatment centers as shelters. It seems it is discriminatory and due process has been violated since the OEO eliminated licensed substance abuse treatment centers as of July 1, 2010 before the state plan has been changed. Barb Dery

**Response to Comment prepared by the ESG Program:**

*Thank you for your comment. The NC Office of Economic Opportunity has determined that the administrative rules (10A NCAC 97F .0102) which regulate the administration of the ESGP prohibit payment of ESGP funds to substance abuse rehabilitation centers. While OEO recognizes that substance abuse is a contributing factor related to homelessness, ESGP funds are limited and the NC ESGP's intent is to fund agencies whose primary goal is to service homeless persons. The administrative rule at issue (10A NCAC 97F .0102) has been in effect for many years, and OEO's decision to deny funding for licensed substance abuse rehabilitation centers was necessary to comply with the rule. The public was given an opportunity to comment prior to OEO's amendment to bring the 2006-2010 Consolidated Plan and 2010 Annual Action Plans in conformance with the administrative code and prior to actual funding decisions for FY 2010-2011. It is OEO's position that its actions complied with applicable laws.*

**Emailed Comment 10/29/10**

To Whom It May Concern:

I am writing to make you aware of my extreme opposition to the change in the current state plan draft proposed by the NC OEO that is planning to eliminate licensed substance abuse treatment centers as shelters. As a member of the Board of Directors for Mary's House in Greensboro, NC that this change is extremely discriminatory in nature. I feel that due process has been violated since the OEO eliminated licensed substance abuse treatment centers as of July 1, 2010 BEFORE the state plan was changed. I hope that you will please take a step back and review the impact of these actions. Thank you in advance for your attention to this matter. Allison Doughty

**Response to Comment prepared by the ESG Program:**

*Thank you for your comment. The NC Office of Economic Opportunity has determined that the administrative rules (10A NCAC 97F .0102) which regulate the administration of the ESGP prohibit payment of ESGP funds to substance abuse rehabilitation centers. While OEO recognizes that substance abuse is a contributing factor related to homelessness, ESGP funds are limited and the NC ESGP's intent is to fund agencies whose primary goal is to service homeless persons. The administrative rule at issue (10A NCAC 97F .0102) has been in effect for many years, and OEO's decision to deny funding for licensed substance abuse rehabilitation centers was necessary to comply with the rule. The public was given an opportunity to comment prior to OEO's amendment to bring the 2006-2010 Consolidated Plan and 2010 Annual Action Plans in conformance with the administrative code and prior to actual funding decisions for FY 2010-2011. It is OEO's position that its actions complied with applicable laws.*

**Emailed Comment 10/29/10**

Hi there. Just wanted to comment that the Con Plan appears to make a commitment to assisting low-income householders becoming home owners but it is unclear whether sufficient funding has been set aside for the IDA CDBG. Given the large number of IDA's statewide it would seem wise to set aside at least \$4-5 million annually for IDA's. It is unclear, to me, how the Catalyst Program is working so, as a safeguard against a potential reduction in IDA funding, I think it would be wise to set aside a targeted set of funds for the purpose of supporting IDA's. Thank you for the opportunity to comment. Tim Emmert. Community Development Planner, Moore County Planning Department

**Response from DCA:** *The State remains committed to supporting IDAs through the use of CDBG funds. The NC Catalyst program will provide an opportunity for local governments to seek CDBG funding for IDAs at a high amount that previously allowed, subject to demonstration of need and capacity.*

**Written Comment 10/29/10**

We write to express our comments concerning the 2<sup>nd</sup> Draft NC Consolidated Plan (NC/CP). Our comments will address several components of the NC/CP draft.

Our goal is to provide feedback to help influence the conceptual and financing framework for our state's community development activities. Today climate change, resource depletion,

foreclosure and severe economic downturn are intertwined in a complex web of issues local communities must confront as they search for economic recovery strategies. These are not easy issues for communities to address.

Undoubtedly, we will have to make changes in our culture, lifestyle and local economies if we are to move ahead in the coming years. The content and guidance presented by our NC/CP really matters more than ever before right now. Our organization and the network of communities served by our over 60 affiliates statewide provide on-the-ground experiences and information that can be extremely valuable to your agencies as the NC/CP partners craft the state strategies during this period of volatile transition and change.

#### **Division of Community Assistance (DCA) Anti-Poverty Strategy (p. 28)**

We strongly agree with DCA's reference to "a holistic approach to community development" stated in this section. Further, we are in agreement that CDBG funds should be prioritized for "areas of high poverty across the state." We will discuss this targeting principle in connection with our comments below about the new *NC Tomorrow* section included in the NC/CP.

We would like to draw your attention to the fact that a small cluster of counties are confronting very extreme poverty circumstances. Eight NC counties—Halifax, Edgecombe, Warren, Robeson, Scotland, Richmond, Anson, and Wilkes—are all experiencing poverty rates of at least 20 percent and unemployment levels of 12 percent and above. It is also significant that all but one of these counties are located in regional cluster patterns. Obviously, the road to economic rebound is likely to be more difficult for communities and regions in NC where the downturn is the steepest. DCA and the Commerce Department need to be planning coordinated strategies to better support the economic recovery of communities encountering extreme economic barriers.

#### **Non-Housing Community Development Plan (p. 17-20)**

We affirm the decision of the NC/CP partners that identifies the integrated model approach as NC's community development strategy. We believe this direction is consistent with the model represented by the HUD-DOT-EPA Sustainable Communities Partnership and its livability principles. We are also encouraged by your reference to the link between jobs and housing in this section of the NC/CP document.

As you may know, NCACDC commissioned an academic study called "A Long Way from Home" published in 2010 and prepared by the UNC Center for Urban and Regional Studies (CURS). We have enclosed for your reference a CURS Policy Brief on this report which found:

"There is a substantial mismatch between the location of jobs and the location of housing units in the Asheville metropolitan area."

The CURS report includes several recommendations for corrective action. While we know that much remains to be done to address this challenge, we can only maximize our chances of success, as documented in the CURS study, by using the collaborative planning framework incorporated as a theme in the NC/CP draft.



## **Sustainable Development**

We applaud the partners' inclusion of a section mentioning sustainable development as the focus for programs to be "piloted" by the NC Division of Community Assistance (DCA).

Over the past 18 months, together with our local affiliates, NCACDC has focused considerable staff resources on the metropolitan region called the Twin Counties comprised of Nash and Edgecombe counties and the City of Rocky Mount. The Twin Counties represents one of the state's poorest, consistently distressed metropolitan regions, due in large part to its sustained high unemployment; loss of traditional industries; extraordinarily high utility rates and lingering racial tensions. In a 2009 issue of *Forbes* magazine the region was cited as one of the poorest small metropolitan regions in the nation. Last year this region also had the highest rate of joblessness of any metropolitan region in NC.

During this engagement, NCACDC has been successful in influencing the Rocky Mount City Counsel to adopt a Master Planning/Visioning approach that includes a sustainability framework. Moreover, the design of the proposed local planning process is also intended to leverage existing revitalization efforts in the central city, while ensuring all community voices are included in the discussion and remedies.

The focal point for this work thus far has been on seizing potential new opportunities for economic growth in the green jobs sector, while finding ways to assist city residents to lower their high utility bills through increased use of high-efficiency products in residential and commercial units that maximize energy and green house gas (GHG) emission reductions.

At the same time, we are aware of the need to explore alternative energy resources to gain relief from an existing regional power agreement and related rate structure. As the region begins to discover growth opportunities in the clean energy economy, we are pleased to report that Commerce's Energy Division recently awarded Edgecombe County funding to explore development of landfill gas energy.

With the aid of various partners and consultants, NCACDC intends to help Rocky Mount during its multi-year planning process to conduct additional research to promote transition to smaller, localized and renewable generation as a means of creating a new generation of jobs and maximize energy savings and GHG emission reductions within the utility sector for this municipal power provider.

Rocky Mount is one of 32 municipalities in Eastern NC that operate municipal power systems. These 32 communities purchase wholesale power through the NC Eastern Municipal Power Agency (NCEMPA). About 30 years ago, NCEMPA members entered into a long-term contract and debt obligation with NC investor owned utilities (IOUs)—who were facing high interest rates and rising fuel costs in the late 70's—with the intent of tapping a low cost source of power derived from joint financing with IOUs the cost of constructing new generation facilities. NCEMPA now owns interest in five generating units built and operated by Progress Energy, three nuclear and two coal fired facilities.

The NCEMPA debt is estimated at \$2.5 billion and won't be paid off until 2025. These utility arrangements fall outside of the purview of the NC Utilities Commission.

NCEMPA has raised its rates 33 percent in the past five years. The increases covered rising operating costs, the soaring cost of coal for power plants and losses to investment income. Some of the NCEMPA municipalities' utility rates are as much as 26 percent higher than non-NCEMPA customer rates for those served by Progress Energy and 60 percent higher than those served by Duke Energy. Without reform, these regional utility factors operate as a major barrier to the Twin Counties' and other municipalities' economic competitiveness.

### **NC Division of Community Assistance (DCA)—Agency Plan**

#### **Energy Efficiency (EE) and Rehabilitation Standards (p. 38)**

NCACDC is pleased that DCA will explicitly outline EE rehabilitation standards for CDBG programs. In April 2009 NCACDC, in cooperation with our partner NeighborWorks America (NWA), sponsored a 3-day green housing rehabilitation training program for its affiliates and others. With NWA's assistance, we were able to engage a nationally recognized master trainer for this multi-day course. We would like to work with DCA as it designs EE rehabilitation standards for CDBG programs.

#### **NC Tomorrow Pilot Program (p. 42)**

We are pleased that DCA has agreed with recommendations made by NCACDC and others during prior public hearings on the NC/CP that a set aside be included in the CDBG expenditure plan related to regional sustainability planning. We strongly support DCA's decision to categorize this set aside as a "pilot program."

Because sustainability planning as defined by HUD's Sustainable Communities Partnership and its related livability principles is a relatively new approach for smaller rural towns and counties, we recommend that DCA proceed carefully and with caution as this strategy is incorporated into the state CDBG plan.

First and foremost, we strongly recommend that DCA convene beginning in 2011 a statewide Sustainability Work Group comprised of local citizens, including elected officials, and state agency representatives to work collaboratively with the Division as roll out of this sustainability concept proceeds. Our experience in the Twin Counties suggests that in rural, distressed communities where significant regional planning efforts are already underway, public officials and citizens are learning on the job as they undertake these sustainability activities. It is extremely critical that DCA help facilitate communication and learning associated with these early efforts, not only with state agencies like DCA and Commerce, but among local communities.

We also strongly recommend that the Department of Commerce form an official Intra-Departmental Work Group by 2011 that would regularly bring together representatives of DCA and the Energy Division. Our summary of utility factors pertaining to certain Eastern NC

communities mentioned above demonstrates the deep interrelationship and complexity of community development and energy related matters in one NC region. We also believe that leveraging of efforts and funds would occur more readily if these two units in the same department formed a formal structure for working cooperatively.

We are not certain we completely understand how the NC Tomorrow set aside is proposed to function. Apparently, DCA intends to promote a statewide “NC Tomorrow Sustainable Strategic Plan.” This plan is associated with the 17 COG regions which will each have a “lead regional coordinator.”

We believe that it is too early for the state to dictate to units of local government the exact configuration for their regional planning activities, if this is the intent of the language included in the set aside description. HUD wisely did not take this approach when it solicited applications recently for its regional planning grants. DCA has offered no rationale in the NC/CP for selection of the COG regions as the definitive planning grouping. During this early pilot phase, we strongly recommend that units of local government be given the widest possible latitude to decide for themselves the specific regional planning configuration they wish to pursue. We do, however, recommend that preference for highly distressed applicant regions be included in the program design for this set aside.

There are way too many factors that might impact how units of local government decide to collaborate with one another to undertake regional planning. We have outlined several factors above that illustrate the complexities associated with the Eastern region and the Twin Counties. For instance, COG Region L that includes the Twin Counties encompasses three Tier 1 counties, one of the eight super-distressed counties mentioned above and several NCEMPA communities. Frankly, we wonder just how many man hours would be required to develop a meaningful regional sustainability plan for this economically troubled area. We have devoted more than a year to just building consensus among area leaders and designing a sustainability planning process for the smaller Twin Counties region.

With this level of complexity and extreme economic distress, we are convinced that it would be a serious mistake to force governments in regions such as this to engage in only one form of regional planning in the area—a regional configuration dictated by the state. Under the economic circumstances pertaining to Region L, we question whether a \$75,000 allocation can produce a truly viable sustainable strategic plan for this specific region in a relatively short time frame.

We further recommend that the set aside program design allow applicant regions flexibility to use their \$75,000 allocation for a range of CDBG eligible activities associated with regional planning. However, we certainly recognize that in some instances lead applicants may wish to sub-contract with a COG entity or a community development corporation (CDC) to aid them in undertaking their planning activities. We recommend that units of local government be encouraged to work with non-profits such as COGs and CDCs in undertaking regional planning. The role of these non-governmental organizations should be spelled out in the CDBG application.

Further, NCACDC attended the Governor's Institute on Community Design in April 2010. Materials distributed at this session included a Commonwealth Capital – 2010 Summary. This policy established in Massachusetts fosters that state's sustainable development principles by "linking state spending programs to municipal practices." With respect to the NC/CP sustainability set aside, we recommend that regions—not limited to entire COG regions—that are in the process of sponsoring regional planning initiatives within a sustainability framework be given preference for funding.

In the book "Resilient Cities, Responding to Peak Oil and Climate Change," the authors state:

*"When Jan Sheurer examined a range of European urban ecology innovations he found that when the innovations came from a close and committed community they were much more likely to stick and become ingrained into the lifestyles of the residents, giving the next generation a real opportunity to gain from them. However, many architect-designed innovations that were imposed on residents without their involvement or education of their value and use tended to fall into neglect or were actively removed....The resilient city requires that we pay closer attention to people and community in the process of change."*

As a core value, coupled with intelligent planning and visionary leadership, NCACDC believes in the power of real people, united by a common sense appreciation that a makeover is urgently needed, to energize and fuel the drive toward the long term future of local communities.

We fear the large "COG configured" planning units associated with regional planning under the proposed set aside may lessen the ability of units of local governments to engage in adequate involvement and education of local citizens. In the Twin Counties, for example, local planners have outlined extensive civic engagement activities to culminate in a public meeting convened for the purpose of planning a regional vision. In this small region, we are targeting 750-1,000 attendees for the visioning session, because we recognize the necessity of building political will and broad consensus to support fundamental community change. We are extremely concerned that the large planning units DCA has selected for the set aside will make it difficult, if not impossible, to plan sufficient civic engagement activities associated with regional sustainability planning.

Moreover, it is also our experience that low income citizens and ethnic and racial minority community representatives are routinely ignored in large, traditional economic and community development planning activities in local communities across NC. We believe it is incumbent on DCA to create a regional sustainability planning framework that emphasizes deep and broad civic engagement, if these efforts are to have lasting impact. This feature was an important component of HUD's recent regional sustainability planning application. The program design for the set aside should include very specific requirements such as a plan for broad civic engagement and outreach to be submitted by applicants.

The concept of moving the state toward regional sustainable planning efforts is a laudable goal. But it may be difficult to grasp the degree of change sustainability will bring to everyday life in developed countries. The change is not primarily about technology but a deep cultural shift in

the way municipalities function. The Minister for Sustainability in Queensland, Australia recently said:

“There’s no question whatsoever that community driven local solutions will be essential. That’s where government will certainly have a role to play in assisting and encouraging local networks, who can assist with local supplies of food and fuel and water and jobs and the things we need from shops....Undoubtedly one of the cheaper responses that will be very effective is promoting local consumption, local production, local distribution.”

Other sustainability leaders recognize this localization approach will be critical to the transition to sustainability. The authors of the “Resilient Cities” book mentioned above note that people dialoguing about transition to clean energy options “in turn creates social capital as the basis for on-going community life and economic development.”

By contrast, the large, multi-county COG-based regional approach to sustainability planning DCA appears to be contemplating is not, in our opinion, highly compatible with place based development of local economies and the necessary expansion of social capital that must precede such a major shift. Any approach that might lead to hurried, top down regional planning solutions or severely limit the required extensive involvement and education of local people cuts against the grain of what sustainability is all about.

### **Housing and Homeless Needs Assessment (p. 7)**

We applaud the Consolidated Plan Partners for the thoughtful analysis of barriers to the production of affordable housing. Our role as a statewide trade association, our work over the past few years, and our affiliation with the North Carolina Sustainable Energy Association, has informed us that there are additional barriers to the incorporation of energy efficiency and sustainable building practices in affordable and workforce housing.

Additional barriers include:

- **Lack of Knowledge of the Benefits of Energy Efficient and Sustainable Building:** The first step to addressing the barriers of lack of financing and consistent market valuation of energy efficient and sustainable residential components is the lack of knowledge among those involved in the for-profit and nonprofit housing industries, as well as among customers. A coordinated, statewide campaign to promote EE and sustainability, hand in hand with an effort to institute statewide norms, would provide a foundation upon which to base programs and the development of financing vehicles.
- **Lack of Financing for EE and Sustainability Improvements:** Energy efficiency improvements can be difficult to finance for the average person, and certainly for low and moderate income people. The State must provide leadership to our financial community in devising innovative ways to value energy efficiency and make loans against that value, rather than only making loans based on the financial profile of the borrower.

- **Inconsistent Valuation of EE:** A related barrier to financing is the lack of models or a coordinated effort to have energy efficiency improvements to existing homes or energy efficiency upgrades in new residential construction recognized as adding value to the home in a way that can be reflected in appraisals and home prices.

### **Funds to Develop Housing for Homeless Persons and Transitional Housing (p. 7)**

NCACDC members have expressed concern with the method and rationale governing the awarding of funds to develop facilities for homeless people and people in danger of becoming homeless. These funds are administered primarily by NCHFA and NC DHHS. Although these funds are for the development of housing, with or without supportive services, there seems to be a bias toward awarding these funds to social service and mental health focused nonprofit organizations, rather than to CDCs and other community based nonprofit housing developers.

While your needs analysis indicates that a sizeable portion of the homeless population has mental health or substance abuse issues, the majority do not. Their needs for affordable housing and assistance in improving their economic circumstances may be better served by community based organizations that specialize in economic development and housing production, particularly in light of the newly poor and newly homeless families due to the recession, housing market crash, and jobless recovery.

### **Conclusion**

NCACDC greatly appreciates the opportunity afforded to the general public to comment on the NC/CP. We are requesting an opportunity to meet with DCA representatives prior to development of the program design for the NC Tomorrow set aside to continue to exchange views on this critically important initiative. We look forward to meeting with DCA representatives in the near future.

Very truly yours, *Susan Perry Cole*  
Susan Perry Cole  
President and CEO

Please note for the public record, that an attachment was included with this public comment and is attached for public record with the consolidated plan. The attachment is entitled, *policy brief 2*.

### **Response from Con Plan Partners :**

*Thank you for your comments. NCFHA agrees with your assessment and we have already in place several energy efficiency activities. Our loan pools have a System Vision component. Heating and cooling costs are guaranteed to not exceed a set amount to the homebuyer. Also, we offer a required training for builders and loan pool partners every six weeks with Advanced Energy. The Single Family Rehabilitation program already has high energy standards. Home Performance with Energy Star will be incorporated into the Duke HELP program when a pilot program is implemented in 2011. The Housing Finance Agency offers multiple financing tools for energy efficiency improvements. System Vision provides grants for energy efficiency improvements and additional grants are provided for projects that meet to one of four green building standards as part of*

*the Agency's homeownership programs. Additionally, System Vision is offered to recipients of the Supportive Housing Development Program as a deferred loan. The Housing Finance Agency is aware of this issue. We are working with industry partners to try to change the appraisal process to acknowledge the value of the energy efficiency improvements.*

*Funds are distributed to all programs according to federal regulations. The North Carolina Department of Health and Human Services is not the sole partner for the Consolidated Plan, but divisions that lie within the Division, specifically, the Emergency Solutions Grant and the HOPWA program. Funds by all consolidated plan partners take into consideration several factors. Should any agency and or individual feel that a bias exists, they should contact that agency directly. In addition, all funds are awarded to qualified, eligible entities and or organizations. To have further clarification on this comment, the individual agency in question should be contacted directly.*

### **Emailed Comment 10/31/10**

Dear colleagues and Consolidated Plan Partners:

This update of the N.C.Consolidated Plan is far from routine, not your ordinary restatement of needs, goals, objectives, and program designs. As a professional, I appreciate the difficulties you face in matching scarce federal funds to the immense needs of the state's communities, unemployed workers, and lower income families. But as a professional and a citizen deeply concerned with how our state and its communities will shape its growth, I applaud the commitment of the partnering agencies to the four objectives stated on p. 18 of the October 15 draft:

1. Sustainable Development
2. Promoting Energy Efficiency and Green Building
3. Integrating the Six Livability Principles into Consolidated Plan Partner Programs
4. Comprehensive Approaches for Community Development to leverage resources and investments.

Each of these will require persistent work and continuing commitment to translate them into reality in your programs. This is what I believe the federal partners, HUD, DOT and the EPA, mean by aligning programs to principles. North Carolina is stepping out assertively and should be a leader in the effort to put funding into communities, regions and projects that make for move attractive, livable places.

The draft hedges a bit on whether it will be feasible to incorporate the livability principles into all programs. I encourage you to pursue these objectives with a passion to improve the results of your investments in communities. It is tempting to put some programs 'off limits' rather than work through exactly what the Livability Principles mean in practical terms, in how guidelines are worded and applications are reviewed and grants are made. It will be important, for example, to build sustainability into the CDBG-Economic Development category, and also the new NC Catalyst Program.

Following their applications for federal HUD Sustainable Communities funding, a number of regions are continuing their momentum by working together on ways to support sustainable community development throughout the state. I urge you to engage with these regions early in the process as you think through how to integrate the Livability Principles into your programs.

Commerce and the Division of Community Assistance should be commended for proposing funding for the NC Tomorrow program. This pilot will help create a basic plan for sustainable development, which will serve as a framework for your future investments in communities and projects that embody the Livability Principles.

I am currently working with HUD-funded partners in the Piedmont Triad on preparing a Regional Plan for Sustainable Development. This process, among other features, will highlight redevelopment areas with vacated industrial plants in the 12-county region that could be converted into mixed-use/mixed income developments close to transit opportunities and essential services. Many of your programs, if redesigned to advance the objectives above, could be instrumental in helping fund revitalization of these communities.

Thank you for your work and the initiative you showed by including sustainability into plans for the next five years.

William McNeil. AICP

**Response from Con Plan Partners:**

*The State has incorporated a new program in the CDBG plan call NC Tomorrow which will provide planning dollars for interested local governments around sustainability principles. The State will continue to review and investigate other funding possibilities with existing HUD resources over the next 5 years.*

**Public Hearing Comments October 20, 2010**

**Verbal Comment:**

The AI should include as an impediment local zoning and local fees that serve as an impediment for developers to complete supportive housing. Working with NCHFA with the supportive housing, it is also noted that the CBDG in entitlement communities help with providing gap financing for supportive housing and it would be very beneficial for the state CDBG program to look for ways to provide gap financing using CBDG in non-entitlement areas. Mary Reca Todd, NCHFA

**Response from Con Plan Partners:** *The Analysis to Impediments does address fees and local zoning and will look at these areas as required in the Analysis to Impediments to Fair Housing Choice. DCA and NCHFA will continue to partner and look for additional ways to partner to address needs statewide for affordable housing options.*



## **Written Comment from Chris Gergen, Bull City Forward**



**INTRODUCTION:** As part of a larger effort to establish North Carolina as a leader in 21<sup>st</sup> century social problem-solving and economic development, Bull City Forward supports the creation of a North Carolina Center for Sustainable Enterprise. We envision a transformation across the state, where a world-class cluster of creative minds is scaling sustainable enterprises that are not only contributing thousands of jobs to the economy but also improving the local and global community in meaningful and measurable ways. To get there, North Carolina needs a long-term strategy to help accelerate and foster this cluster, much like the strategic planning that led to the creation of the NC Biotechnology Center thirty years ago.

**OPPORTUNITY:** Several states – including Louisiana, Maryland, Minnesota, Ohio, Texas, and Vermont – have implemented pieces of the puzzle but no one has come up with a truly comprehensive approach to enabling strong entrepreneurial ecosystems. North Carolina has the opportunity to unleash the breadth and depth of our state’s entrepreneurial energy by supporting a comprehensive strategy for cluster development that 1) helps establish a solid growth environment for entrepreneurs 2) researches their economic and social impact and shares that data to increase performance, visibility, and accountability, and 3) helps set policy that enables and encourages sustainable and social enterprises.

**RECOMMENDATION:** The creation of a Center is critical to galvanizing the cluster development of revenue generating enterprises that are environmentally sustainable and socially conscious. It’s important to note that the primary mission of these enterprises is to have a positive social impact, and their success will benefit low- and moderate-income urban neighborhoods, Tier 1 and Tier 2 communities more than any other. The Center’s strong structural foundation will support and, in certain respects, drive an actionable strategy that boosts the efforts of the Sustainable Communities legislation.

**CONCLUSION:** If state leadership is intentional and action-oriented, the dynamic goods and services that emerge from the social enterprise cluster can improve job growth and economic development, drive down costs in the social service areas and ascertain that taxpayer dollars are spent wisely – absolutely essential characteristics of communities that want to be successful in surmounting the challenges in education, transportation, poverty, and health care as populations increase and budgets tighten. North Carolina is uniquely positioned with an opportunity to generate transformative, cost-effective solutions and to serve as the model for addressing our world’s greatest challenges by leveraging its public and private resources. The creation of a North Carolina Center for Sustainable Enterprise offers the most substantively useful and actionable measure to realize a first-mover advantage and to set our state apart.

*Bull City Forward is a community effort to dramatically increase the creation, scale, and impact of social enterprises in Durham, North Carolina. It is guided by the conviction that in*

*purposefully recruiting, enabling, and scaling social enterprises, Durham can create a robust cluster of innovation for the region that will spur economic development, improve the lives of citizens, and produce a new model of urban development.*

**Response from Con Plan Partners:**

*The State is committed to furthering the sustainable communities concept and will consider this approach for use of some of the HUD-funded programs during the 2011-2015 5-year strategic plan period.*



## CITIZEN PARTICIPATION PLAN

CONSOLIDATED PLAN CERTIFICATIONS PLACE HOLDERS

